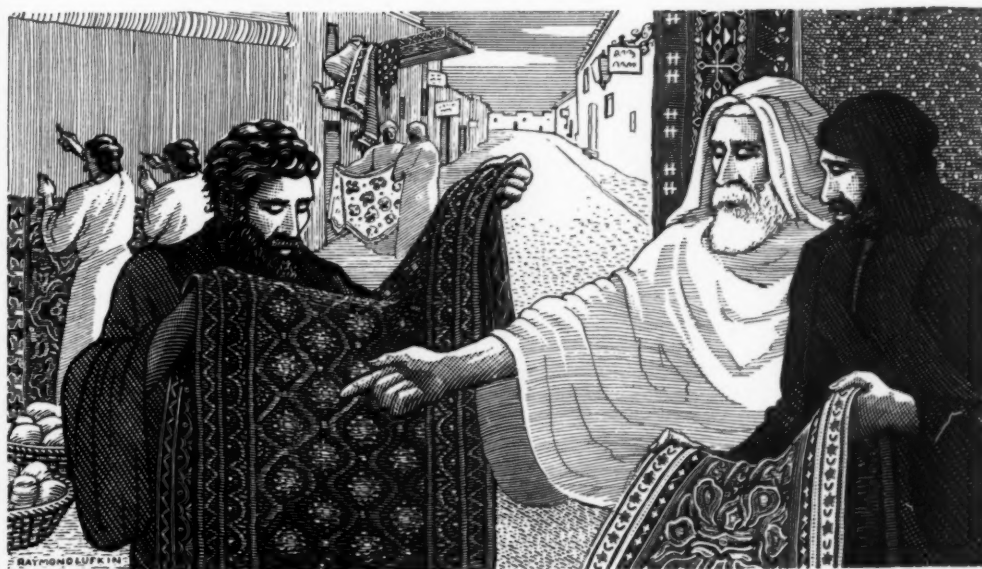


The NATIONAL UNDERWRITER

PARABLE OF THE KNOT



Of watching the weavers, Amaturus never tired. One day came a Prince from Egypt to inspect their work

"O wise Amaturus," said the Prince, "of the many characteristics of these Persian rugs, which is most worthy of my study?"

Amaturus replied: "Observe the Senna knot, tied so tightly around warp and woof. To it is due the Per-

sian rug's famed firmness of pattern and durability. Yet the knot is invisible to the one who admires the beauty of the rug. Only when one turns the rug over can the knot be detected."

How like the Senna knot is an insurance policy! Properly written, adequate in amount, it holds together firmly the warp and woof of our economic fabric.

... for three-quarters of a century National Fire Group agents, companies, and fieldmen have developed skill and ability in modern insurance matters.

—D. S. Butler

The National Fire Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS and TRADERS INSURANCE COMPANY

FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICE, HARTFORD 15, CONN.

WESTERN DEPARTMENT

175 W. JACKSON BLVD., CHICAGO 4, ILL.



PACIFIC DEPARTMENT

234 BUSH STREET, SAN FRANCISCO 20, CAL.

MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

THURSDAY, FEBRUARY 27, 1947

JUST DROPPED
IN TO LET
YOU KNOW—



THAT OUR \$12,000 HOME
WHICH YOU INSURED FOR
\$5,000 HAS BURNED
TO THE GROUND

FIRE-MARINE-CASUALTY-SURETY

Loyalty Group

INSURANCE

<p>Firemen's Insurance Company of Newark, N. J. <small>Organized 1853</small></p> <p>The Girard Fire & Marine Insurance Company <small>Organized 1853</small></p> <p>National-Ben Franklin Fire Insurance Company <small>Organized 1866</small></p> <p>The Concordia Fire Insurance Co. of Milwaukee <small>Organized 1870</small></p>	<p>Milwaukee Mechanics' Insurance Company <small>Organized 1852</small></p> <p>Royal Plate Glass & General Ins. Co. of Canada <small>Organized 1906</small></p> <p>The Metropolitan Casualty Insurance Co. of N.Y. <small>Organized 1874</small></p> <p>Commercial Casualty Insurance Company <small>Organized 1909</small></p>	<p>Pittsburgh Underwriters - Keystone Underwriters</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------

HOME OFFICE • 10 PARK PLACE • NEWARK 1, NEW JERSEY

<p>Western Department 120 So. LaSalle St. Chicago 3, Illinois</p>	<p>Foreign Department 111 John St. New York 7, New York</p>	<p>Canadian Departments 535 Homer St., Vancouver, B. C. 465 Bay St., Toronto, Ontario</p>	<p>Southwestern Dept. 912 Commerce St. Dallas 2, Texas</p>	<p>Pacific Department 220 Bush St. San Francisco 4, Calif.</p>
----------------------------------------------------------------------------------	----------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------	-------------------------------------------------------------------------------

Field Testing in Rating Research Program Starts

Eventual Result May Be Uniform Countrywide Method

NEW YORK—It would be almost impossible to overestimate the importance to the fire insurance business of the rating research program of Insurance Executives Assn. which this week got into the field testing stage. Not only should the eventual result be a uniform rating method countrywide but also a method determined by research, rather than mere survival, to be the most equitable and efficient.

Implications of the project are far-reaching. For example, no longer would the interstate risk be faced with widely divergent rating plans for its various segments.

The changeover to whatever plan of rating is finally adopted will be accompanied by plenty of headaches. For example, though a schedule at present might produce a rate of over-all adequacy for a state, investigation might prove that rates on one big class should be raised while those on another major category should be lowered. This would be certain to cause great anguish among the former class of risks yet obviously there would be no point in all this rating research if the final results were going to be rigged to produce the same results as the present systems.

No Bias for Any System

While the first step of the testing program now being undertaken by a specially selected and trained group of rating experts loaned to I.E.A. will deal with the general basic schedule, used thus far only in the state of Washington, this should not be taken as indicating any bias in favor of this particular schedule, though it is the most recently developed of the three general classes of schedules. In fact, it is quite possible that whatever system is finally adopted will include the features in which each of the three systems excels with some additional features not now contained in any schedule if the research project proves them to be desirable.

The general basic schedule is an analytic type schedule very similar to the one used in 19 middle western states. In fact, it was developed some 20 years ago in cooperation with representatives of Western Actuarial Bureau. The other general system is the universal mercantile, generally followed in the east, south and far west.

Differs in Many Ways

Despite its ancestry, the general basic schedule differs in many important particulars from the analytic system, although the theory is the same, which is a detailed analysis of the various factors affecting the building's status as a fire risk. One important difference is that there is no basis rate, whereas all other schedule systems start with a basis rate. Also, the general basic schedule makes no attempt to classify buildings according to type of construction, since it is always difficult to say exactly which classification they should fit into if there is a deviation in some feature of construction. For example, a building is of principally fire resistive construction but has

Gilliams Scores Devil-May-Care Public Attitude

Premiums of Camden Fire in 1946 went ahead at the rate of 36% and totaled \$12,516,932.



J. F. Gilliams

"We are riding the crest of a great wave of premiums which seems to have rolled in on everyone in the business," President J. F. Gilliams remarks in his report. Every department shared in the premium surge, and every section of the country contributed to it.

So great was the increase that the capacity of the company to service it well was tested, creating problems of personnel, office equipment and office space. Also it ate into surplus because of the demands of premium reserve. He pointed out that of the \$3,317,226 in premiums, there was laid aside in premium reserve \$2,590,924 and the difference of \$726,302 was entirely inadequate to cover acquisition cost and the cost of handling.

Mr. Gilliams observed that the increase is primarily due to the increased dollar value of tangible property. It requires more dollars to do the same job. Losses have been heavy, partly due to the same decreased buying power of the dollar, and partly to increased carelessness. "People seem to have lost some of that fine responsibility they once displayed and a bit of devil-may-care pervades householders and workers alike. This perversion will give way beyond a doubt and the more sterling qualities in our people will emerge, as they always have."

The drop in securities value was about \$550,000 but Mr. Gilliams expressed the belief that Camden's position is sound and there is nothing inherently wrong with its investments. The investment income at \$518,149 was about \$10,000 higher than the previous year and is well above the dividend requirements of \$400,000.

Assets increased to \$20,259,386. At market the figure would be increased by \$348,077. Capital is \$2 million and net surplus \$4,188,903.

Losses incurred were \$5,426,893. There was a statutory underwriting loss of \$656,158.

a wooden roof. Yet, should this be enough to take the building out of the fire resistive class and class it as merely masonry construction?

While many rating authorities lean strongly to the analytic method with its detailed analysis of fire risk factors another school holds that detailed analysis of risk factors is needlessly complicated and that more risks should be class-rated, that is groups of similar construction and occupancy, for example frame residences. New York state for instance, has many class rates while another state may have very few in comparison to the number of schedule rated risks. It is estimated that probably not more than 20% of the number of risks in New York state are schedule rated, the rest being class rated. Naturally, the schedule rated risks are the larger ones since they are the ones in which important variations in risk factors occur.

Objects of Field Test

In field-testing the general basic schedule in New Jersey, the rating experts will have to apply it to many risks. Just how many it is impossible to say in

(CONTINUED ON PAGE 28)

Commissions, Equity Rating Fare Well Under Model Bills

DETROIT—A detailed explanation of his stand on the all industry bills and clarification of several points on which agents have expressed disapproval or concern, was delivered by Commissioner David A. Forbes at the midyear meeting of the Michigan Assn. of Insurance Agents here this week. Mr. Forbes spoke at the banquet Wednesday evening. He gave a lucid account of the situation from the SEUA decision through the approved commissioners' model bills.

The fear that the bills will control commissions and prevent equity rating is unjustified, he declared, pointing out that in Michigan the commissioner's power in approving or disapproving rates is no greater than under the present fire and workmen's compensation rating approval laws. He asked if the agents had ever heard of any commissioner in Michigan attempting to regulate commissions and noted that any commissioner who might attempt to invoke such power would, in order to be consistent, have to attempt to regulate all items of expense, including salaries of all employees, including clerks. Competition is the best regulation of a commission item, he remarked, and if commissions reach a point where they are excessive and do not represent the true worth of an agent's services, the agent himself will be the first to realize it in the loss of business to those carriers whose acquisition costs are reasonable. Mr. Forbes said that he has been a local agent for more than 25 years and expects to be one again, and has no fear as to the regulation of commissions by insurance commissioners under the model bills.

Can Maintain Equity Rating

Equity rating can be maintained under the bills the commissioner emphasized, pointing out that subdivision 3 (a) of section 3 of the casualty bill provides for that, at the same time granting no company a concession on the rate where competition is keen and just because of the volume of business being received by that company from the agent involved. It will prevent such occurrences as a "large eastern broker giving a concession on a rate from a company you represent as a local agent which you could not receive from that company."

The section on equity rating which Mr. Forbes referred to reads: "Risks may be grouped for classification for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any difference among risks that can be demonstrated to have a probable effect upon losses or expenses."

It has been suggested, Mr. Forbes remarked, that the word "standard" be eliminated from the section in order that risks can be equitably treated as in the past. If no reasonable standards are to be maintained in rating large risks, he pointed out, the old abuse from the standpoint of the average agent will continue. Moreover, there would be no state legislation effectively barring discrimination on a large risk and the prohibition contained in the federal anti-trust laws would become applicable.

The possibility that congress might grant a further two-year moratorium for the business should be discounted, and bills enacted in the legislature as

(CONTINUED ON PAGE 28)

Producers Groups Agree on Licensing Principles

N.A.I.A., Brokers, Casualty General Agents Promulgate 18 Tenets

Full agreement on fundamental principles of agents' licensing sponsored by National Assn. of Insurance Agents has been effected by N.A.I.A. with National Assn. of Insurance Brokers and National Assn. of Casualty & Surety Agents, it is announced by Herman C. Wolff, Indianapolis, chairman of the agents qualification committee of N.A.I.A.

The principles are those adopted by the national board of state directors of N.A.I.A. at Pittsburgh in 1943, and include such important provisions as examining boards, educational and experience prerequisites, denial of licenses to financial or lending institutions, and requirement of agents and brokers to hold paid premiums in a fiduciary capacity.

Statement by Sawyer

"We agree wholeheartedly with the fundamentals of licensing, many of which include or border on brokers and casualty and surety general agents operations, enunciated by National Assn. of Insurance Agents," said Elmer W. Sawyer, counsel for both groups on behalf of Allen T. Archer, Los Angeles, president of the brokers association, and Carl P. Daniel, St. Louis, president of the casualty agents group.

Guy T. Warfield, Jr., Baltimore, head of N.A.I.A., believes the joint agreement will go far toward encouraging the passage of licensing legislation now pending in more than 20 states. Most of these principles, he commented, have also been agreed to by National Board and Assn. of Casualty & Surety Executives, as set forth in the association's "Suggested Draft When Considering an Agents' Licensing Law."

Principles Are Enumerated

The principles are:
Any enactment must be in the public interest.

The terms agent, broker, solicitor, insurance adviser, etc. should be defined.

Acting without a license should be prohibited.

The procedure and form of application for licenses should be defined.

A non-partisan examining board should be provided with its duties defined.

Examination provisions should be stated.

All first-time applicants for agents and brokers licenses must be examined and have the following prerequisites: A minimum stated amount of insurance education, or a minimum stated period of active pertinent insurance experience.

"Controlled business" should be defined and a maximum percentage should be provided.

Financial or lending institutions and

(CONTINUED ON PAGE 28)



Herman C. Wolff

Risk Research Body Amends Its Legislation

NEW YORK—At the request of the Risk Research Institute, Senator Mac-Neil Mitchell has introduced two bills in the New York legislature to broaden the underwriting powers of fire and casualty insurers. One would permit fire or marine companies to write bodily injury and/or property damage insurance on automobiles and aircraft and permit casualty and surety companies to write fire, theft and/or collision on automobiles and aircraft. The other measure would permit fire, marine, casualty, or surety companies to insure overseas any type of risk other than life insurance or annuities. While this bill appears as an extension of the Mitchell reinsurance measures enacted last year, the new proposal would apply to direct coverage only. Each bill stipulates financial requirements to be met by insurers as a prerequisite to using these broadened powers.

Rating Bill Revised

Risk Research Institute has also, as a result of conferences with federal authorities in Washington, amended its proposal for a rating bill insofar as it affects agreements to act in concert. Its original bill provided that such agreements were to be filed with the commissioner and he was not obliged to act unless he felt they were inimical to the public interest. In the new section the agreements must be filed and approved by the five-man insurance board which the institute's bill calls for before being put into effect.

This prior approval need be obtained only in the event an agreement to act in concert affects the price structure or a material portion of the insurance business in the state. It is understood that the institute felt that the board would be less subject to bias, either for or against the insurers, than a commissioner might possibly be.

F.I.A. Has Western Regional

The western regional meeting of Factory Insurance Assn. was conducted last week at the Union League Club, Chicago, with 72 persons attending. President C. W. Pierce was principal speaker.

Mr. Pierce discussed future prospects and spoke on the accomplishments of the F.I.A. He declared that the new training laboratory at the home office is one of the greatest achievements in recent years. The laboratory has a large amount of old and new equipment, including sprinklers, pumps, pipes, ovens, etc., which are used in training and refresher courses for inspectors. This school is believed to be one of the best equipped in the U. S.

H. L. Grider, manager of the western regional office, was chairman at the meeting.

Pittsburgh Insurance Day Glimpses



VIEWS DURING PITTSBURGH INSURANCE DAY:

Upper panel—luncheon table group: from left, David L. Lawrence, Harris-Lawrence local agency and mayor of Pittsburgh; James F. Malone, Jr., Pennsylvania commissioner; Robert E. Dineen, New York insurance superintendent; N. H. Weidner, general agent, Reliance Life and president Insurance Club of Pittsburgh, and George F. Avery, U.S.F.&G., general chairman of Pittsburgh Insurance Day.

Lower panel—C. F. Flaherty, Tener-Lowry Co.; John R. Barry, president Corroon & Reynolds, Inc.; C. A. Reid, W. M. Reid & Co., and T. P. Lowry, Jr., Tener-Lowry Co.

Fidelity & Guaranty Is Abbreviating Title

The official title of Fidelity & Guaranty Fire is being by deletion of the word "Fire" at the same time that the charter is amended to authorize the writing of casualty lines and participating policies. President Harry F. Ogden states the management has no present intention to exercise these enlarged powers.

F. & G. had net premiums in 1946 of \$10,827,542, increase \$1,632,054.

Premiums earned were \$9,101,293; losses incurred, including loss adjustment expenses, \$5,405,593. The incurred-earned ratio was 59.39, an improvement of nearly five points over 1945. Expense ratio to premiums written was 38.98, two points lower.

Loss from underwriting was \$525,014, which is \$124,826 less than in 1945. Net operating profit after all taxes was \$31,177. The voluntary reserve for fluctuation in the value of securities came down \$408,990, because of the decline in

market values. Payment of dividends was omitted.

Assets were \$19,301,261. Surplus and voluntary reserve totaled \$5,874,004. Capital is \$2 million.

Stockholders of U. S. F. & G. have ratified charter amendments allowing the company to write fire and allied lines and marine insurance and to issue participating policies.

Farrer Opens Coast Tour

LOS ANGELES—Richard E. Farrer, N.A.I.A. educational director, opened his series of addresses before insurance organizations on the Pacific Coast at meetings with the Long Beach Insurance Assn. Monday noon and the Insurance Assn. of Los Angeles in the evening, speaking on "Public Relations and Education."

He said private enterprise will survive so long as the public believes it is doing a good public relations job. He advocated education among insurance men along multiple lines and outlined the program the National association plans to carry out.

Launch Fight Against Dineen's Security Fund

NEW YORK—Assn. of Casualty & Surety Executives has announced its firm opposition to the automobile insurance security fund bill in New York sponsored by Superintendent Dineen.

The association charges that the principles involved are not sound and states it will oppose the measure as vigorously as it knows how. It says the bill provides for a tax upon motorists with the insurers acting as tax collectors.

Seattle Official Indicted on Insurance Bribe Charge

SEATTLE—County Commissioner Joseph A. Whetstone has been indicted by the grand jury on a charge that he asked and received a \$500 bribe in connection with county insurance which he placed with Peter Endress, Seattle local agent.

The indictment charged that Whetstone had "an agreement or understanding" that he, said Joseph A. Whetstone, would use his official influence for the purpose of obtaining the said Peter Endress the sum of \$500 yearly in insurance commissions on policies to be issued on King county property for the term of office of the said Joseph A. Whetstone.

It was the fourth indictment filed against Whetstone by the grand jury in recent weeks.

Whetstone said Endress had contributed to his 1942 campaign and that during the 1944 campaign Endress asked Whetstone for a larger share of the county's insurance business. "I said I'd do the best I could for him. It didn't make any difference who got the business as long as it was a reputable firm. Mr. Endress is perfectly reputable. He must be—he carries the insurance on the cars attached to the prosecuting attorney's office."

Paid-Written Ratio Is Running at Rate of 41

ALBANY—Statements filed up to the beginning of this week by fire companies doing about one-third of the business in New York state show a loss ratio of 40.6% on the basis of written premiums, which were \$32,914,956 and paid losses, which were \$13,366,265. In 1945 all companies licensed in New York had net premiums of \$71,299,000 with a loss ratio of 49.5% on a written-paid basis.

Companies which have filed their 1946 statements reported country wide premiums aggregating, on a written basis, \$272,241,648 and paid losses of \$112,181,388, the loss ratio being 41.2%. The list includes a number of the larger companies, such as Travelers, Aetna, Great American, Home, and National Fire.

D. C. Hospital Increase

WASHINGTON—Group Hospitalization, Inc., and Washington Metropolitan Area Hospital Council have announced a plan under which local hospitals will receive an increase averaging 22.6% for care of GHI members. Total estimated increased cost to GHI in 1947 is \$250,000.

GHI will pay 97% of the sum for which it is billed by hospitals, or cost plus 10%, whichever amount is less. The announcement said the new schedule will be subject to revision at the year end, when more data is available. The hospitals had claimed they lost money under their contract with GHI, as a result of increased costs of labor, supplies, etc. GHI, however, distributed "dividends" totaling \$200,000 among the hospitals for the past two years' services.

Fire Company Experience in 1946 by Lines

	Fire		Extended Coverage		Tornado-Windstorm		Sprinkler Leakage		Riot & Explosion		Motor Vehicle	
	Premiums	Paid Losses	Premiums	Paid Losses	Premiums	Paid Losses	Premiums	Paid Losses	Premiums	Paid Losses	Premiums	Paid Losses
Amer. Fire, Tex...	190,531	56,310	53,644	22,046	1,347	3,869					11,284	25,688
Amer. Title & Ins.	190,917	6,197	10,815	1,432	1,135	502	3		24		509	
Appalachian	17,998	99										
Bankers & Ship...	2,464,481	1,010,035	510,983	160,281	34,440	31,119	18,095	5,465	5,212	132	1,232,586	712,066
Camden Fire	6,963,651	2,650,313	1,195,887	350,044	84,475	66,986	32,537	4,738	37,934	3,372	2,191,229	1,076,197
Charter Oak	803,855	238,222	165,233	41,354	7,408	7,672	3,093	970	6,460	940		
Church Properties	50,590	15,639	4,011	998	2,006	1,874						
Employers Fire	2,362,663	1,171,910	428,424	144,760	26,084	22,560	7,942	5,569	16,298	1,360	2,877,888	1,752,149
Great Eastern	81,162	27,134	8,846	837	62	112	429	351	3	62,380	27,318	
Jersey	1,574,529	644,655	325,886	102,402	22,003	19,881	11,561	3,491	3,330	84	787,485	456,374
New Zealand	1,793,409	829,299	240,699	52,605	5,057	7,134	8,442	4,067	11,472	1,170	102,544	57,693
Northw. F. & M.	607,241	391,126	95,028	23,428	17,585	12,342	1,426	251	1,792	173	170,938	76,164
Pacific Fire	2,806,770	1,151,378	580,928	182,543	39,224	35,441	20,609	6,229	5,936	151	1,403,779	811,748
Planet	207,737	15,375	37,874	1,047	1,392	85	196		230		340,169	74,295
Rocky Mt. Fire	202,949	60,221	18,301	5,131	481	2,374	29	1	43	6	23,125	7,019
Security Fire, In.	478,833	232,736	172,087	34,560	15,355	28,355					34,086	17,007
Selected Risks Fire	40,154	8,172									125,335	32,206
St. Louis F. & M.	318,018	77,642	235,022	55,519	4,517	2,472					126,015	67,375
Travelers Fire	15,273,260	5,740,332	3,139,442	785,730	140,768	145,798	58,775	18,437	122,757	17,864	2,490,343	3,079,906
Twin City Fire	198,609	338,498	15,877	4,685	3,517	2,468			—611	85	34,188	15,233
Washing'n F. & M.	318,018	78,531	235,022	48,512	4,517	2,664					126,014	71,240

Shape Plans for Chicago Insurance Day April 11

Plans are progressing for Chicago Insurance Day at the Palmer House April 11.

Concurrent sessions are planned for the afternoon.

Fire and marine insurance will lead off at the morning session in the Red Laquer room. Three authorities will discuss these subjects followed by a question forum.

Following a luncheon, a session will be held in the grand ballroom on third-party casualty insurance while in the Red Laquer room will be heard speakers on dishonesty coverages.

The banquet will conclude the program.

The program committee is comprised of William Laadt, chairman; Wade Fetzer Jr., Allan I. Wolff, Eugene Engelhard and John T. Clarkson.

Lyman Drake Jr., is head of the committee on arrangements, with R. T. Wagner, Clarence E. Freeto and B. M. Anderson. Publicity is under the chairmanship of Roger Bronson, L. W. Zonius and Bradford Gill.

N. C. Study Commission Makes Recommendations

Amendment of the North Carolina law governing licensing of agents, brokers and adjusters is recommended by the commission on insurance law revision. The proposed bill reduces to statutory terms the principal qualifications of agents, brokers and adjusters instead of delegating authority to prescribe rules and regulations to the insurance commissioner. The applicant, it is specified, must have had "special education, training or experience of sufficient duration and extent reasonably to satisfy the commissioner that he possesses the competence necessary to fulfill the responsibilities of an agent, general agent or adjuster."

The commission also recommends a statute governing insurance company mergers, rehabilitation and liquidation.

A. & H. Franchise Plan

The commission recommends the enactment of the definition of franchise. A. & H. insurance which was passed upon by National Assn. of Insurance Commissioners. There is a proposed bill for revocation or suspension of, or refusal to renew a company license for practices which cause delay in settlement of claims or for arrangements which make an agent's compensation depend upon a method of adjustment which is unfair to the insured.

The commission stated that several groups have requested exemption from the 1945 insurance rating laws. To do so, the commission declares, would undermine the very purpose sought to be achieved by that legislation in setting up a system of state regulated rates. Discarding of that system, the commission states, will surely result in federal regulation.

Mahan, Butler Become James & Co. Officers

Robert B. Mahan has been taken into the firm of Fred S. James & Co., Chicago, and has been elected a vice-president. Rush C. Butler, Jr., has been elected vice-president.

Mr. Mahan joined James & Co. in 1936 and was manager of the casualty department until he became an officer in the army coast artillery in 1942, being discharged in 1945. At present Mr. Mahan handles accounts for the firm. A graduate of Northwestern University, he entered insurance with Marsh & McLennan in 1928.

Mr. Butler, a producer, joined James & Co. in 1936 following six years with Rollins, Burdick, Hunter Co., Chicago. He attended the University of Iowa.

Pastor Arrested in \$150,000 Church Fire at Milwaukee

The Rev. Dr. John Lewis, pastor of Calvary Presbyterian Church of Milwaukee, has been charged with arson for allegedly setting a fire that caused \$150,000 damage to the church about a month ago. The church is at West Wisconsin avenue and North 10th street, and is one of the largest and oldest churches in Milwaukee.

There was \$127,000 insurance on the church and contents; \$115,000 on building, \$10,000 contents, and \$2,000 on Dr. Lewis' library.

Appeal Va. State Farm Case

RICHMOND—An appeal from the Virginia corporation commission by the Virginia Insurance Rating Bureau, which is attempting to have the State Farm companies ordered to pay a larger share of the bureau's operating expenses, has been set for hearing before the February term of the Virginia supreme court of appeals.

The question is whether State Farm's automobile collision premiums, as well as fire premiums, should be used in determining its pro rata share of the cost of maintaining the bureau.

Makes Audit of Preferred

NEW YORK—Froggatt & Co. is making an audit of Preferred Accident for Reconstruction Finance Corp. The RFC rules require such a report within 90 days of an application for financing and the New York department's report was dated last June.

Insurance Loss May Be Heavy in L. A. Explosion

LOS ANGELES—The O'Connor Electroplating Co., where an explosion killed 15 persons, injured about 100, and did widespread damage to property, was insured in National Automobile & Casualty for workmen's compensation and general liability. It is expected that the insurance loss will be particularly heavy under the compensation coverage, since those killed were employees and the California compensation law is one of the most liberal. National A. & C. carries reinsurance up to \$1 million in excess of a \$10,000 retention, the reinsurer being General Reinsurance. Limits under the bodily injury portion of the general liability coverage are said to be \$10,000/20,000.

Blames Insurance Inspector

TOLEDO—D. F. Baumgartner, deputy state inspector, blamed negligence of an insurance company inspector for the boiler blast which leveled the heating plant of the city of Toledo's rented shop in Wolcott boulevard, causing \$60,000 estimated damage.

"The relief valve on the blasted boiler was improperly installed and if this insurance company inspector had reported it properly to the state, the explosion wouldn't have happened," Mr. Baumgartner said.

E. A. Henne of Chicago, western manager of America Fore, will leave Monday for his annual sojourn in Florida.

Home Premiums at \$95 Million Set Industry Peak

Assets of Home increased to a new high record at the close of 1946, while premium income for the year was the greatest ever written by any property insurer in the history of the business.

Premium income was \$95,063,346, an increase of 27.4%.

Assets rose to \$177,414,558, and compare with \$172,203,602 the year previous.

Premium reserve is \$78,273,559.

Cash, government bonds and current accounts receivable, totaling \$87,269,464, represented 111.5% of the premium reserve requirements. Cash amounted to \$31,742,083, as against \$21,252,662 in 1945. Government bonds amounted to \$43,379,480. Current accounts receivable are \$12,147,900.

Tenn. Agents Oppose 50% Countersignature Plan

NASHVILLE—Tennessee local agents are waging a bitter fight to defeat a countersignature measure, introduced by the department which would require the local agent to collect all of the premium and retain not less than 50%. An effort is being made to formulate a compromise measure which would satisfy Commissioner McCormack and the local agents.

The local agents are sponsoring a measure which would forbid the department issuing license to anyone "dealing in personal property," designed to end all litigations over the licensing of auto dealers to represent motors. The bill is being contested strongly by the dealers, led by their attorney, John J. Hooker.

Mr. McCormack's fair trade practices bill along with about 10 other insurance measures sponsored by the administration, have been passed on third reading by the senate without opposition and will pass the house this week. The former measure, according to Mr. McCormack, is about 90% in accord with the model measure. The bill as formulated is satisfactory to company men and local agents.

Another measure would require foreign insurers to name the insurance commissioner instead of the secretary of state as attorney for service of process.

Statement Shows Rate Hikes Needed, Smart Declares

An increase in rates is imperative, President James D. Smart of New Hampshire declared in his annual report to stockholders. Mr. Smart noted that the loss ratio on a written basis for New Hampshire last year was 45.8%, while the expense ratio was 41.5%, leaving a trade profit of \$1,360,660. However, this is largely offset by the increase in premium reserve brought about by the large amount of business of last year. Premium reserves increased \$2,798,324, thus showing an underwriting loss of \$1,423,663. Security depreciation amounted to \$1,060,306, producing a net loss to surplus of \$237,156.

The company has voted its regular quarterly dividend of 50 cents, payable April 1 to stockholders of record March 10.

SEUA, NAIC Dates Conflict

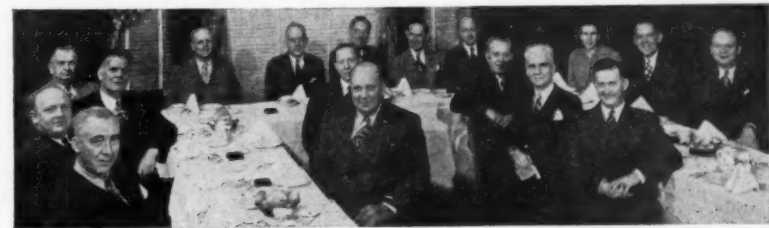
The annual meeting of Southeastern Underwriters Assn. at the Cavalier Hotel, Virginia Beach, and that of the National Assn. of Insurance Commissioners at Haddon Hall, Atlantic City, will conflict, to the dismay of many who would like to attend both gatherings. The S.E.U.A. meeting is Wednesday, June 4, and is preceded by several days of preliminary sessions, beginning with the executive committee, usually the preceding Saturday or Sunday. The commissioners' convention runs from June 1 to 5.

Marine Experience for 1946 Reported

	Ocean Marine (Exclud. War Risks)		Inland Marine		Ocean Marine (War Risks only)	
	Net Prem.	Losses Pd.	Net Prem.	Losses Pd.	Net Prem.	Losses Pd.
Amer. Av. & Gen.	95,596	16,528	134,681	30,071	17,086	246
Buckeye Union	362,656	172,576	1,320,422	566,877	24,167	2,167
Camden Fire	13,059	2,324	869,301	3,635	32,585	2,167
Employers Fire	1,923	10,335	10,335	101	101	101
Export	649,787	794,495	1,626,704	696,989	696,989	696,989
First National	96,777	18,540	258,626	70,678	1,329	1,329
Founders F. & M.	165,623	59,748	46,743	27,527	6,140	196
General	75,423	37,053	97,472	49,158	12,580	6,083
Inter-Ocean Reins.	29,118	4,135	29,118	4,135	4,135	4,135
Natl. Grange Fire	1,994,358	898,931	1,994,358	898,931	898,931	898,931
New Zealand	712	142	712	142	142	142
Northwest F. & M.	49,624	2,418	49,624	2,418	2,418	2,418
Prudential Fire	1,074	581	1,074	581	581	581
Natl. Surety M.	7,095	1,942	7,095	1,942	1,942	1,942
Queen City	22,627	11,116	19,494	9,832	3,774	1,825
Planet	225	179	225	179	179	179
Rocky Mt. Fire	1,074	581	1,074	581	581	581
St. Louis F. & M.	7,095	1,942	7,095	1,942	1,942	1,942
Secured F. & M.	22,627	11,116	19,494	9,832	3,774	1,825
Twin City Fire	22,627	11,116	19,494	9,832	3,774	1,825

ADJUSTERS PLAN ANNUAL RALLY

Sept. 25-27 has been scheduled for the annual meeting of the National Assn. of Independent Adjusters at the Biltmore Hotel, Los Angeles. The dates were decided upon at the mid-winter meeting of the executive committee at Chicago last week.



Shown at the executive committee meeting are (left to right outside): A. M. Foley, South Bend; I. T. Swain, Evansville; J. Chester Sneath, New York, vice-president in charge of special lines; Ross Whitney, Chicago; A. D. Jones, Dallas; Don Sherwood, New York City, general adjuster National Board; C. B. Lyle, Phoenix, president; Gordon Davis, Chicago, American Mutual Alliance; Prentiss B. Reed, executive vice-president; Ina F. Smith, Chicago, secretary; Alfred Persson, Chicago, President Wagner & Glidden, and M. M. Johnson, Fort Wayne.

Inside: Glen B. Baker, Fort Wayne; H. F. Rosenbush, Houston, vice-president casualty and allied lines; N. J. Tierney, Chicago; M. J. O'Brien, Chicago, and Ray L. Lynch, Springfield.

P. & I. Rates Same for Safe and Substandard Ships

NEW YORK—Although a large number of cargo ships which have been converted to passenger use do not meet coastguard safety standards, protection and indemnity insurance rates are not affected by the condition of these ships. Rates for nearly all passenger ships are based entirely on the experience of each ship owner and not on possible hazards which may be encountered in a particular ship.

United States Lines, for example, will pay the same protection and indemnity premium rates on the S.S. America, a new liner which more than meets safety requirements, as it will on the S.S. Washington when it is placed in operation, although the latter vessel will not meet coastguard passenger safety standards even after \$3 million is spent on conversion.

Official Gives Warning

Commodore H. C. Shepherd, chief of the coastguard merchant marine safety office, told the congressional committee on merchant marine safety that wartime suspension of navigation and inspection laws which permit operation of substandard passenger ships would have to be continued for a number of years unless new ships were built. He warned that major marine disasters might follow any program of general relaxation of safety laws.

Insurers say that the ships in operation which have been converted from cargo vessels to passenger carriers are perfectly seaworthy, but that they do not have the compartmentation safety of ships built for passenger service, that they do not carry the same proportion of life boats or rafts and that they are not similarly fireproof. Regular passenger ships are required to carry enough

life boats to hold twice the number of passengers in the ship.

Commodore Shepherd said that experience so far had been good on cargo ships converted to passenger use but pointed out that a man only dies once.

Merchant Marine Is Still Shrinking

NEW YORK—Tonnage in the American Merchant Marine is still falling off fast from the wartime high of 30 million tons. Most insurers expect it to level off at about 10 million tons, or a little above the prewar level. Since many of the ships now in operation are larger and faster than freighters used to be, they can make more trips and therefore carry more cargo in a year than older freighters of the same total tonnage. The number of ships and the amount of tonnage needed to carry the same amount of goods in a year is therefore greatly reduced.

While the American merchant marine has shrunk to about 15 million tons, Great Britain is rapidly expanding its shipping. England and Ireland are now producing about 52% of the world's new ships.

Pa. PL 15 Rally March 4

PHILADELPHIA — Sponsored by Insurance Agents & Brokers Assn. of Philadelphia & Suburbs, a regional meeting for all insurance men will be held at a luncheon in the Benjamin Franklin Hotel March 4. The meeting will be for a general discussion of public law 15. G. H. Hafer, general counsel Pennsylvania Assn. of Insurance Agents, will give the background of the act and the constitutional questions involved, while Morton V. V. White, immediate past president of the state association, will explain why the new Pennsylvania legislation has been drawn in the form that has been adopted.

Marine Claims Group Hears Talk on Principal Agent

The critical question in a recent inland marine case in federal court at Chicago was: Is a bellboy who has brought a coat to a Railway Express office an agent of the owner?

John M. Aherne of the New York admiralty law firm of Bigham, Englar, Jones & Houston, described the case before the Inland Marine Claims Assn.

The owner of the fur coat worth about \$4,000 had it taken to the railway express office for shipment by a hotel bellboy. The bellboy accepted a bill of lading valuing the coat at \$50. The coat was lost, the insurer reimbursed the owner and brought action against Railway Express to recover the full amount, although the express company held that acceptance by the bellboy of the \$50 valuation limited its liability to that amount.

The court ruled that the boy never was authorized as an agent of the owner and that the express company was fully liable.

Mr. Aherne analyzed a case before a New York court to determine whether a certified interstate motor carrier, operating under a tariff, can limit its liability to 50 cents a pound without a declaration of value in the bill of lading. He also discussed the development of dry cargo carriers and differences between the liabilities of common and private carriers.

Kansas City F. & M. Reports

During 1946 premiums written before reinsurance of Kansas City F. & M. increased 49.8% from \$1,353,088 to \$2,026,625. Assets increased from \$1,640,814 to \$2,733,762, and surplus to policyholders from \$1,203,111 to \$2,100,000. During the year resources were increased about \$1 million through the sale of 50,000 new shares.

The expense ratio was 38.3 and loss ratio on an earned basis was 40.

Wilson Halts Auto Rate Increase in Ky. with Writ

Commissioner Wilson of Kentucky has gotten a temporary injunction from Franklin county circuit court restraining casualty companies from putting into effect increased automobile B.I. and P.D. rates. Hearing on the injunction is being held this week.

Last week Mr. Wilson asked that action be held up pending a hearing, but National Bureau of Casualty & Surety Underwriters advised that notices of the increases had been sent to all agents, with effective date Feb. 17, and could not be recalled.

Mr. Wilson took the position that the companies lacked the right arbitrarily to enforce higher rates without any hearing as to their reasonableness.

As of Jan. 1, 1947, the new auto responsibility act became effective, and thousands of additional policies were written in the state. To increase rates before the ink is hardly set on the policies will not win public favor, Mr. Wilson says.

The rate regulation law that was enacted in 1946 in Kentucky does not become effective until Oct. 1 of this year.

R-B-H Advances Officials

Two vice-presidents of Rollins-Burdick-Hunter Co., Chicago, have been given additional responsibilities. Adrian B. Palmer also was named a director, and Bernard E. Davidson was named treasurer. They retain their titles of vice-president. Mr. Palmer has been with the office 18 years, starting as a casualty underwriter, then being bonding and casualty manager. A year ago he was advanced to vice-president in charge of casualty, and retains that function.

Mr. Davidson went with the office 19 years ago in the marine department after coming to this country from London, where he was connected with the marine department of Fletcher & Smith, brokers at London Lloyds. Later Mr. Davidson became casualty manager for R-B-H, then assistant treasurer. For the last five years he has been vice-president and assistant treasurer, and also a member of the executive committee.

Niver to Speak March 5

E. C. Niver, executive vice-president and secretary of New York Board, will be the speaker at the luncheon meeting of Brooklyn Insurance Brokers Assn. March 5 at Old Clarendon Restaurant, 349 Adams street, Brooklyn. Mr. Niver will interpret the clauses and endorsements extending the coverage on fire insurance policies as they apply to the adjustment of losses.

Fire Company 1946 Statement Figures in Tabloid

	Assets	Inc. in Assets	Reins. Res.	Inc. in Reins. Res.	Capital or Stat. Dep.	Surplus	Inc. in Surplus	Net Prem.	Losses Paid	Loss Ratio
Amer. Fire, Tex.	769,448	46,483	271,698	63,380	250,000	200,000	14,407	256,808	107,914	42.0
Amer. Title & Ins.	1,101,064	272,033	64,873	28,767	300,000	205,090	123,139	192,323	8,512	04.4
Appalachian	106,235	11,421	982	9,018	34,200	36,231	7,417	17,998	99	00.0
Bankers & Shippers	8,693,686	271,419	4,457,601	741,234	1,000,000	2,502,097	384,532	4,556,591	2,064,569	45.3
Camden Fire	20,259,386	1,675,684	10,684,237	2,590,924	2,000,000	4,188,904	1,278,493	12,517,681	5,014,874	40.0
Charter Oak	4,218,467	364,540	1,331,490	282,170	1,000,000	1,611,905	6,732	1,179,412	362,129	30.6
Church Properties	880,011	22,121	51,642	27,872	300,000	475,199	9,034	56,607	18,511	32.7
Employers Fire	10,640,932	110,398	5,609,372	548,834	1,000,000	2,000,000	667,629	6,622,807	2,433,262	51.8
Great Eastern	935,905	16,346	142,590	32,937	250,000	574,692	25,021	167,139	58,236	24.8
Jersey	5,703,882	151,463	2,847,912	473,567	1,000,000	1,399,615	230,091	2,911,155	1,321,515	45.4
New Zealand	4,300,932	409,957	2,304,424	364,040	550,000	773,570	11,907	2,407,524	1,039,108	43.1
Northwestern F. & M.	3,696,530	30,863	859,088	10,102	1,000,000	1,239,916	40,252	1,084,826	597,415	55.0
Olympic	1,779,230	490,574	824,836	.....	266,700	469,750	223,111	1,483,637	1,008,314	67.0
Pacific Fire	10,466,875	249,891	3,076,713	944,184	1,000,000	3,442,692	210,163	5,189,451	2,355,402	40.5
Planet	2,643,826	275,190	434,360	402,370	1,000,000	1,073,233	231,430	641,881	93,223	14.5
Rocky Mt. Fire	867,927	52,664	246,358	62,027	275,000	295,234	14,162	251,162	76,616	30.5
Security, In.	1,867,424	10,350	1,025,625	82,911	500,000	318,179	72,584	726,798	313,608	43.1
St. Louis F. & M.	1,389,210	69,603	787,420	153,051	250,000	251,611	101,691	690,978	292,232	29.2
Selected Risks Fire	549,540	54,090	106,173	27,327	200,000	201,359	12,918	165,489	40,378	24.1
Travelers Fire	45,131,455	5,518,488	27,689,885	3,955,373	2,000,000	7,965,890	1,685,016	24,889,182	11,174,445	44.8
Twin City Fire	2,402,089	26,664	173,974	291,387	500,000	1,225,847	593	299,105	384,070	128
Washington F. & M.	1,359,241	85,466	787,420	153,051	250,000	228,491	76,161	690,978	206,160	29.7

Globe and Rutgers Fire Insurance Company

The Insurance Company

of the

State of Pennsylvania

AMERICAN HOME
Fire Assurance Company

111 WILLIAM STREET, NEW YORK 7, N. Y.

Trucker's Insurer Must Pay; Shipper's Insurer Relieved

St. Paul F. & M. has won a decision in the South Carolina supreme court against American Fire & Casualty in connection with damage by fire to a truck load of cotton. American F. & C. was the trucker's insurer while St. Paul F. & M. insured the cotton merchants whose cotton was damaged. The case was Lucas, et al vs. d. b. a. Lucas & Roberson, trustees, St. Paul F. & M. vs. Garrett, et al.

Lucas & Roberson are cotton merchants of Greenville, S. C. In 1944 David H. Garrett, the trucker, got 40 bales of cotton from Lucas & Roberson for transportation from Anderson to Pickens, S. C. En route the cargo was damaged by fire to the extent of \$2,373.

American F. & C. had a \$3,500 mercantile floater policy on Garrett with a public service commission endorsement.

St. Paul F. & M. had \$8,500 insurance on cotton in bales owned by Lucas & Roberson.

St. Paul Pays the Loss

St. Paul made good the loss to Lucas & Roberson and then brought a subrogation action against American F. & C.

The court expressed the belief that policies of St. Paul and American F. & C. do not insure either the same interest or against the same casualty. St. Paul insured the bales of cotton against fire and American F. & C. insured the legal liability of the carrier. St. Paul insured bales of cotton while American F. & C.'s policy is not specific insurance on the cotton.

If fire destroys the cotton, the liability of St. Paul is absolute, but American F. & C. would not be liable unless the loss occurred under certain circumstances imposing liability on the carrier. The relative liability of the insurers is not the same.

The contract of the carrier was first and principal in ultimate liability. The policies were not concurrent and to force contribution by St. Paul would deny to that insurer the right of subrogation and would relieve American of a part of the loss for the whole of which it was primarily liable.

American F. & C., in any event, contended that the loss should be pro rated because of the pro rata loss provision in the St. Paul contract. However, the court held that the pro rata provision is applicable only to cases where the insurance covers the same interest and it can have no application to insurance obtained upon another distinct insurable interest in the property.

The purpose of the provision in the St. Paul policy was to give St. Paul the pro rata benefit of any insurance, other than specific, which the owners might have on the cotton. The parties to the St. Paul contract were under no obligation to the carrier or his insurer and did not intend to confer a gratuity on them.

Mann & Arnold of Greenville was attorney for American F. & C. while Stephen Nettles, Greenville, represented St. Paul.

Confer on Prevention Parley

WASHINGTON—A meeting here of public relations experts, representing insurance and other interests, discussed with A. Bruce Bielaski, executive director of the President's fire prevention conference, and public works agency officials plans for the conference, scheduled for next May.

William Chattin, representing Associated Reciprocal Exchanges, and Richard E. Vernor, Western Actuarial Bureau, Chicago, have been added to the Bielaski staff working on details of arrangements for the conference.

Hunt Ass't. Treasurer

The title in Fidelity & Guaranty of Charles N. Hunt has been changed from assistant secretary to assistant treasurer.

State Farm Group's Agents in Iowa Confer

DES MOINES—Greater care in selection of policyholders will be required in future, G. J. Mecherle, founder, told some 300 Iowa agents of the State Farm companies at a two-day convention.

Morris G. Fuller, vice-president, discussed new life insurance plans and told of publications now being prepared by the home office. L. S. Kelehan, Des Moines, state director, compared an insurance company to a building and said policyholders are the materials out of

which the company is built.

Newell Day, Davenport general agent, Equitable Life of Iowa, spoke.

Goff Advanced at Chicago

Moulton B. Goff, Chicago manager of Employers Mutual Liability since 1935, has been promoted to resident vice-president there. He has been with the company about 15 years, starting as a solicitor in Wisconsin after serving two terms in the legislature. He opened a branch for the company at Davenport, where he was manager until transfer to Chicago in 1935.

Joins Executives Assn.

Home of Hawaii is now a member of the Assn. of Casualty and Surety Executives. The Honolulu company brings the membership to 66 company ies. Home was organized in 1911, and is licensed in Hawaii and California.

Indiana Theater Loss \$200,000

The Scurwine Theater, Brazil, Ind., burned Feb. 22 causing an estimated loss of about \$200,000. Also damaged was the nearby Elks Home. The theater was 40 years old.

Agricultural Insurance Company

of Watertown, N.Y.

ADMITTED ASSETS

Real Estate	\$ 327,121.13
FHA Insured Mortgages	1,084,083.23
Other First Mortgages	874,701.41
U. S. Government Bonds	4,973,521.90
Canadian Government Obligations	1,067,592.40
All Other Bonds	879,359.09
Preferred Stocks	2,940,130.00
Stock in Empire State Ins. Co.	2,144,832.14
Common Stocks	3,204,075.75
Loans on Collateral	43,500.00
Cash and Bank Deposits	2,275,545.89
Net Uncollected Premiums	2,260,002.91
Other Admitted Assets	274,768.02
	\$22,349,233.87

*At actual market value for securities, this figure would be increased \$336,062.67

Securities carried at \$581,447.82 were deposited as required by law.

LIABILITIES

Reserve for Unearned Premiums	\$10,802,774.00
Reserve for Unpaid Losses and Adj. Exp.	3,119,502.23
Reserve for Federal Income Tax	— — —
Reserve for All Other Taxes	351,200.00
Reserve for Dividends	120,000.00
Other Reserves and Liabilities	413,916.42
Total Reserves and Liabilities	\$14,807,392.65
Capital	\$3,000,000.00
Voluntary Contingency Reserve	300,000.00
*Net Surplus	4,241,841.22
*Surplus to Policyholders	7,541,841.22
	\$22,349,233.87

94th ANNUAL STATEMENT

December 31, 1946



Empire State Insurance Company

of Watertown, N.Y.

ADMITTED ASSETS

U. S. Government Bonds	\$2,646,777.39
Canadian Government Obligations	392,545.46
All Other Bonds	152,039.34
Preferred Stocks	1,560,750.00
Common Stocks	368,900.00
Cash and Bank Deposits	255,608.61
Net Uncollected Premiums	347,921.05
Other Admitted Assets	22,869.40
	\$5,747,411.25

*At actual market value for securities, this figure would be increased by \$72,825.81.

Securities carried at \$292,881.22 were deposited as required by law.

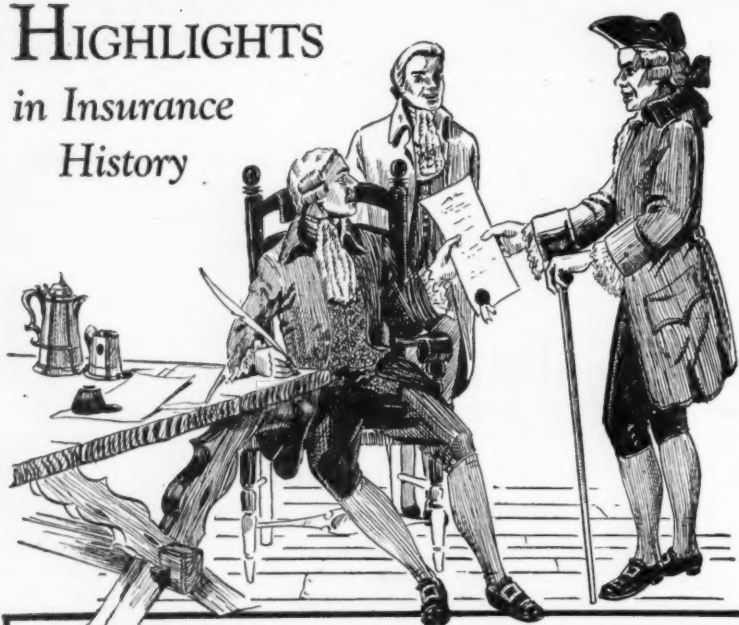
LIABILITIES

Reserve for Unearned Premiums	\$2,700,693.51
Reserve for Unpaid Losses and Adj. Exp.	761,052.95
Reserve for Federal Income Tax	10,000.00
Reserve for All Other Taxes	87,800.00
Other Reserves and Liabilities	29,000.00
Total Reserves and Liabilities	\$3,588,546.46
Capital	\$1,000,000.00
Voluntary Contingency Reserve	100,000.00
*Net Surplus	1,058,864.79
*Surplus to Policyholders	\$2,158,864.79
	\$5,747,411.25

19th ANNUAL STATEMENT

December 31, 1946

HIGHLIGHTS in Insurance History



TAVERN BEGINNINGS . . . Continuing a London custom, early American underwriters conducted their business in taverns. In 1761 Philadelphia underwriters met at the London Coffee House where they maintained the Old Insurance Office. It required only two clerks to run it, their working time being from 12 to 1 midday and 6 to 8 in the evening. An exciting rivalry went on with the New York Insurance Office next door, where policies were returned to New York for underwriting. During the Revolutionary War, Philadelphia's insurance center changed from the London Coffee House to the City Tavern. New York and Boston also had tavern headquarters for Marine and other underwriting. In many inns in other parts of the country, it was the custom to set aside one room solely for insurance business.

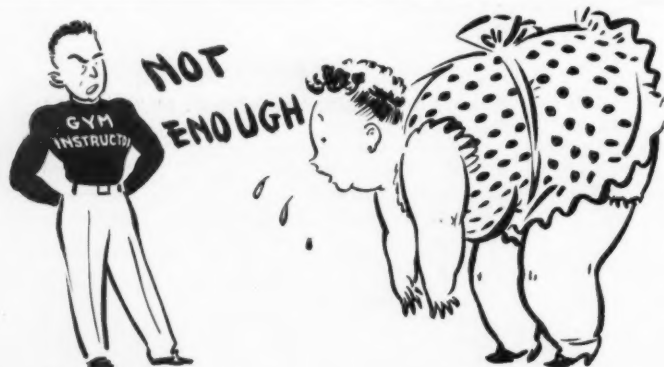
The National Union and Birmingham Companies have long realized the stimulating benefits of friendly rivalry among insurance companies

NATIONAL UNION AND BIRMINGHAM FIRE INSURANCE COMPANIES

PITTSBURGH



PENNSYLVANIA



"Not enough" - we hear it all too often these days. That's why we continue to urge adequate insurance to protect the property owner.

THE CHARTER OAK FIRE INSURANCE COMPANY

*Country-Wide Insurance Analysis
and Claim Service*

Hartford, Connecticut

ONE OF THE TRAVELERS COMPANIES

Considerable Rise in 1946 Losses for Factory Mutuals

Total net losses of Associated Factory Mutuals for 1946 were \$8,443,000 as compared to losses of \$5,579,000 in 1945. Net insurance in force stood at \$21,023,000,000; assets were \$127,750,000; net premium deposits were \$113,760,000 and surplus was \$66 million. Net loss from fires alone was \$5,755,000 as compared to a fire loss in 1945 of \$3,655,000. This difference is accounted for by a \$2,200,000 loss on a cotton mill at Langley, S. C., which resulted from lightning striking a bale of cotton.

Values insured by the Factory Mutual companies had increased over \$2 billion 700 million during the year. The number of properties insured amounted to 15,700, an increase of 1,800 over 1945.

The total net loss ratio from all causes was 4.40 cents per \$100 insured as compared to a ratio of 3.16 in 1945. Exclusive of the Langley loss, however, the ratio was 2.74, lower than the average for the last 15 years.

One of the large losses was for \$380,000 from a fire that started under a cutting table in the premises of a cloth-working tenant who was not insured by the association. In another instance, a spark from a cut torch being used by an outside contractor, dropped through a floor opening around a pipe and ignited a storage of women's wear in the basement. Total damage was \$150,000. A \$138,000 loss was suffered in a reinforced concrete building used for the manufacture of dry color pigments which had not been sprinklered because of the apparent safety of contents. A foreign material in a batch of chrome green was crushed and caused rapid heating and decomposition. Another loss involved a small warehouse in which sprinklers were not yet installed. Fire broke out in a nearby building and spread to the warehouse which was destroyed at a loss of \$129,000.

There were 166 explosions totaling \$252,000, a decrease of 31% in amount over 1945. During 1946, 183 lightning losses caused \$99,000 as compared to 205 similar losses in 1945 for \$75,000. There were 390 instances of damage by wet-down totaling \$214,000, as compared with water damage of \$160,000 in 335 sprinkler leakage losses in 1945.

Damage from windstorm was the lowest for several years, standing at 540 losses amounting to \$314,000. This compares with 632 wind and hail losses totaling \$662,000 in 1945.

Damage was done to buildings by vehicles amounted to \$12,000 for 77 accidents as compared to loss of \$36,000 in 61 accidents in 1945. There were 570 use and occupancy losses totaling \$1,776,000 as compared to 508 of these losses for \$600,000 in 1945. The largest of these, for \$1 million, was in the Langley cotton mill fire. Second largest, estimated at \$60,000, accrued at the chemical plant when fire damaged a cooler and shut down a unit for producing sulphuric acid.

Milligan Ohio Commerce Director

COLUMBUS—In a surprise move, Gov. Herbert appointed Dale Dunifon, who has been serving as state director of commerce, to succeed C. H. Jones as administrator of the Ohio bureau of unemployment compensation, and named Fred J. Milligan, executive secretary of the governor, to the position of director of commerce.

Insurance interest in the shift lies in the fact that the division of insurance is a part of the department of commerce. A bill is pending in the legislature to make the directorship of insurance a cabinet position with a salary of \$7,000 a year. He also would serve as director of commerce.

Itemize Building Costs in Valuation, Field Club Told

NEWARK—The dangers of figuring actual cash value of buildings by means of "trending," or applying the percentage of over-all change in building costs, to the cost of the building originally, were analyzed by Richard Evans of American Appraisal Co., in a talk to New Jersey Field Club.

If building costs are 150% of the original costs, he said, and the insurable value of a building is obtained by applying that percentage to the original cost, less depreciation, there is likely to be a large error in the result. The various types and amounts of materials used in the construction of a building should be broken down, he said, because the cost of one material, such as steel, may have increased a relatively small amount, while the cost of brick may have increased a great deal, and lumber even more.

Leads to 40% Error

Valuation by "trending," without a breakdown of the structure, will generally lead to an error of about 40% today, said Mr. Evans. "Never was there a time when we should forget past insurance and figure on today's value as much as we should now," he said.

Another way to fall into error, he pointed out, is to make a valuation at so much a square foot. A building 100 feet square will have a wall of 400 lineal feet, he said. A building 50 feet wide by 200 feet long will enclose the same number of square feet but will have a 500 foot wall. To value both on the basis of square feet alone will lead to an error of 16%.

The same rule applies to personal property, he said. Statistics may show that the price of furniture is up a certain percentage, but some items have gone up a great deal, others only a small amount. It is imperative, he said, to look into the component parts of the furnishings of a house to get a true picture of insurable value. To apply a flat percentage of increase to the total original value, less depreciation, is to fall into error, he said.

Ky. Church Fire \$150,000

An early morning fire at Harlan, Ky., Feb. 23, caused an estimated \$150,000 insurance loss to the Harlan Baptist Church. It is believed the fire started from a defective heating plant which was being fired up to get the church warm for Sunday services.

The building was constructed in 1923 and insured for \$150,000 although it is believed it would cost more than \$400,000 to replace.

This loss follows on the heels of several other church fires in Kentucky, and it is believed that heating plants in the churches are in poor condition and inspections will be undertaken.

Featuring

PITTSBURGH, PENN. CONFLAGRATION

of Jan. 27, 1917! This great fire is the background of the March 9th radio fire drama!

Broadcast Sunday over 200 MBS stations, the Yankee Network in New England and the Don Lee Chain on the West Coast. 10 stations broadcast at other times of the week. See your newspaper for time and station!

ASK YOUR FRIENDS TO TUNE IN

**CRIMES OF
CARELESSNESS**

YOUR RADIO SHOW

Kansas Dinner

Fifty me
Goose atte
Topeka in
is on leave
after com
Aetna Fir
Curtman M
was toast
state agen
Reed an el
behalf of
O. D. But
a member
Herbert L
and Herbo
agent of A
two local
men, R. J
Hagney an
Cohen-Stee
ita.

W. H. S.

William
Ky., after
Fire will
was with
came man
Claude S
state agen
Hartford
quired He
dent of th
Assn. pre
Prevention
of the Ke

Slater

Paul J.
ica Fore,
homa Blu
WNAD,
of a serie
through
promoting
surance a
grams are
the publi
fifth distr
Ray Phil
spoke on
by Prop

Honor

The I
Assn. wi
April 7
cently r
Bean, Co
man, Ha
say, Am
the veter

J. Bran
agent in
tion at
Louisvil
will be h

INV

A we
in the
legal
with
equiv
West
travel

FERO

Insu
166 W.

NEWS OF FIELD MEN

Kansas Blue Goose Gives Dinner Honoring Reed

Fifty members of the Kansas Blue Goose attended a testimonial dinner at Topeka in honor of Jack A. Reed, who is on leave of absence from active duty after completing 25 years in Kansas for Aetna Fire, recently as state agent. Curtman Maupin, state agent of Home, was toastmaster and H. O. McIntosh, state agent of Hanover, presented Mr. Reed an electric drill and accessories on behalf of members of the Kansas pond. O. D. Butcher, Hartford Fire, also was a member of the committee in charge. Herbert Linquist, Nebraska state agent, and Herbert Johnson, Missouri state agent of Aetna, attended for others with two local agents who were formerly field men, R. J. Noble of Wheeler, Kelly, Hagny and Vernon Steenrod of the Cohen-Steenrod agency, both of Wichita.

W. H. Strossman to Retire

William H. Strossman, Lexington, Ky., after about 25 years with Hartford Fire will retire April 1. Years ago he was with the old Henry Clay, and became manager of that company when Claude Snyder died. Later he became state agent in eastern Kentucky, for Hartford and Citizens after Hartford acquired Henry Clay. He has been president of the Kentucky Fire Underwriters Assn. president of the Kentucky Fire Prevention Assn. and most loyal gander of the Kentucky Blue Goose.

Slater on Okla. Broadcast

Paul J. Slater, Oklahoma City, America Fore, most loyal gander of Oklahoma Blue Goose, spoke last week over WNAD, Norman, Okla., in the third of a series of 17 broadcasts presented through the courtesy of the station, promoting casualty, bonding, fire insurance and kindred lines. These programs are presented under direction of the public relations committee of the fifth district of Oklahoma, of which T. Ray Phillips is chairman. Mr. Slater spoke on "How the Individual Benefits by Property Insurance".

Honor Retired Ky. Veterans

The Kentucky Fire Underwriters Assn. will hold a testimonial luncheon April 7 to honor several members recently retired, including Bennett B. Bean, Commercial Union; W. H. Strossman, Hartford Fire, and Everett Ramsay, America Fore, who has been in the veterans hospital at Lexington, Ky.

J. Branch Tabor, Fidelity-Phenix state agent in Kentucky, underwent an operation at Norton Memorial Infirmary, Louisville, but barring complications will be home in a week or ten days.

INVESTIGATOR

A well established bureau is in the market for a man with legal background preferably with F. B. I. training or its equivalent. Eastern or Mid-West location. Considerable travel. Splendid opportunity.

FERGASON PERSONNEL

Insurance Personnel Exclusively

166 W. Jackson Blvd. Chicago 4, Ill.

Mitchell to Illinois as Scottish Union Special Agent

Scottish Union & National has appointed John R. Mitchell special agent for Illinois, excluding Cook county. Mr. Mitchell has been with Hartford Fire as special agent at St. Louis. His new headquarters will be at A-1105 Insurance Exchange.

Inspect Independence, Kan.

All public buildings in Independence, Kan., including schools, churches and hotels were inspected by 32 members of the Kansas Fire Prevention Assn. The Independence Assn. of Insurance Agents was host at a dinner meeting. Ivan Hemphill, president, and George E. Erickson, secretary of the association were in charge.

Cross Now Special Agent

Henry S. Cross has been appointed fire and inland marine special agent of Fireman's Fund in Los Angeles to cover the territory between that city

and Redlands. Mr. Cross before being transferred to Los Angeles about a year ago was in the head office fire underwriting department since 1937.

See Film on Texas Hail Loss

The Oklahoma Blue Goose, at a meeting Monday saw a movie based on the heavy hail loss reported in Texas. The picture was filmed under direction of Fire Companies Adjustment Bureau.

Kansas Field Meetings Set

April 29-30 has been set for the annual meetings of the Kansas Fire Prevention Assn., Kansas Blue Goose, Kansas Fire Underwriters Assn. and the Kansas Field Club of the Western Insurance Bureau at Wichita, with the Hotel Lassen as headquarters.

Cleveland Party Is March 10

The Blue Goose party that is being held in Cleveland is scheduled for March 10 rather than March 11, as was stated in a recent issue.

Alamo Blue Goose, San Antonio, voted to hold the annual dinner dance within the next 60 days. Raymond Williams is entertainment chairman.

CHICAGO

FORKEL HEADS COMMITTEE

E. H. Forkel, National Fire, has been appointed chairman of the order of business committee for the annual meeting of Western Underwriters Assn. at Asheville, N. C., April 15-16. His associates are R. S. Buddy, Glens Falls; J. R. Cashel, Providence Washington; Roy E. Eblen, Phoenix of Hartford; E. G. Frazier, Springfield F. & M.; A. C. Hoberg, Phoenix of London, and Leonard Peterson, Home, New York. The committee will meet at the executive office of the organization at Chicago March 19, to prepare the program.

PARKINSON TO SPEAK

Insurance Director Parkinson of Illinois will address the insurance membership group of Union League Club of Chicago Friday noon on insurance legislative questions of the hour.

LEACH WITH ANCHOR AGENCY

James E. Leach has joined the Anchor Agency of Chicago as manager of the fire department. He has been in the business 18 years and since December, 1941, has been a fire underwriter for



I FEEL GOOD...

when I think about the SERVICE I get from the Royal-Liverpool Group.

Just recently they conducted a survey by mail which gave each of us agents the opportunity to state his preferences and criticisms of the various services offered by the Group. Our recommendations will form the basis of an improved company service.

WHAT PRODUCTION AIDS does the agent feel he needs TO INCREASE HIS PREMIUM INCOME? How does he feel about our current service features and sales promotion material? These questions are answered in a report to our agents titled "Here is the company service you helped design!" (based on the agent survey).



ROYAL-LIVERPOOL GROUP
ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK 8, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SHANGHAI INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA



**RELIABLE
HANDLING
OUR
DAILY
ENDEAVOR.**

**INTELLIGENT
SERVICE TO
LOCAL
AGENTS OUR
NATION-WIDE
DESIRE.**

**RHODE ISLAND
Insurance Company**

PROVIDENCE • RHODE ISLAND
Progressive in Outlook
Conservative in Management



FIRE • INLAND MARINE
OCEAN MARINE

**THE OLDEST INSURANCE
COMPANY IN THE WORLD**



55 FIFTH AVE., NEW YORK

Travelers in Chicago, except for 2½ years in army service, ending late in 1945. Before joining Travelers he was with Fireman's Fund in Chicago.

KORTE RED CROSS CHIEF

Announcement is made of the appointment of A. A. Korte, surety department manager of W. A. Alexander & Co., as chairman of the insurance section for the Chicago Red Cross drive. Wade Fetzer, Jr., president of W. A. Alexander, is general chairman of the entire Chicago campaign. Mr. Korte has been with W. A. Alexander 30 years and is a former president of Surety Underwriters Assn. of Chicago.



A. A. Korte

Mr. Korte has appointed as his lieutenants: R. S. Edwards, Aetna Life, for life insurance; John T. Even, Fireman's Fund, for fire insurance; Spencer Welton, Massachusetts Bonding, casualty; Robert S. Critchell, Rockwood, Co., agents; Clarke Munn, Cook County Loss Adjustment Bureau, bureaus and adjusters; C. R. Parsons, American Mutual Liability, mutuals, and Fred A. Johnson, Royal League, fraternalists.

MOTOR

Penny Receipt Cancellation Notice Is Held Valid

So far, without exception, the validity of policy cancellation by the use of the penny post office receipt form has been upheld by the courts when any issue concerning it has arisen. The latest decision on this point was given by Texas court of civil appeals in Aetna Fire vs. Aviritt et Vir.

The trial court had entered judgment for the insured, but the court of civil appeals found that the policy had been effectively canceled. B. A. Aviritt of Joshua, Tex., the assured, was claiming \$360 under a \$50 deductible collision policy on account of an accident that occurred Jan. 6, 1946, to the assured.

Aetna Fire, through T. A. Manning & Sons, sent a cancellation notice to Mrs. Aviritt dated Nov. 7, 1945, and a copy went to K. W. Armstrong, the agent, and to Cleburne National Bank.

The post office receipt forms were introduced in evidence and the higher court found that the evidence is without dispute that Aetna had fully complied with the provision of its policy as to giving notice for cancellation and that the notice was given prior to the loss.

Robertson, Leachman, Payne, Gardere & Lancaster of Dallas represented Aetna, while Jack C. Altaras, J. K. Russell of Cleburne, represented the assured.

Coast Bank Expedites Car Financing Program

Security-First National Bank of Los Angeles, in its bank and agent auto plan, has made available an auto purchase card, for issuance to approved clients of local agents. The cards enable persons to establish the financing for an automobile well in advance of the date they actually make the purchase.

The cards will increase the effectiveness of the bank's program, according to D. Z. Albright, vice-president of the installment loan division, who is also chairman of the consumer credit committee of California Bankers Assn. and a member of the same committee with American Bankers Assn.

The bank found that the prospective car buyers needed something tangible to show them that credit was available. Special mailing folders, to publicize and encourage use of the cards and each

containing a credit application, are being furnished to agents without charge.

The agent addresses, stamps and mails the folders. The credit application may be returned with postage prepaid.

The agent forwards the application to the bank for approval and issuance of

the auto purchase card. When the car is ready for delivery he presents his card to any branch of the bank. Whereupon the purchase transaction is consummated immediately. The bank delivers the check for the premiums to the agent whose name appears on the application.

NEWS OF THE COMPANIES

Glens Falls Group Premiums Up 39%

Net premiums written during 1946 by Glens Falls, Glens Falls Indemnity and Commerce totaled \$35,996,917, an increase of \$10,114,335, or 39%.

Glens Falls had premiums of \$18,814,628, an increase of 42%. Its unearned premiums were increased by \$3,859,726 to a total of \$15,797,000. An increase in assets of \$2,686,649 brought the figure to \$37,355,039. Net loss after taxes was \$177,674 as compared with a profit of \$951,475 for the previous year. Surplus to policyholders was \$13,263,333.

Glens Falls Indemnity had premiums of \$13,862,059, increase 34.5%. Premium reserve increased by \$1,244,922 to \$6,497,764. Assets increased by \$3,205,636 to \$23,884,841. Net loss after taxes was \$98,431 as compared with a profit of \$864,796. Surplus to policyholders was \$6,167,110.

Commerce premiums were \$3,320,228, increase 42%. Its unearned premiums were increased by \$672,382 to \$2,748,382. Assets were \$7,568,868 and surplus to policyholders was \$3,622,128.

McCowen, Morrison are Advanced

Austin V. McCowen has been elected secretary and George W. Morrison assistant secretary of New Hampshire Fire.

Mr. McCowen started with Granite State in 1922, becoming special agent in Maine in 1933 and state agent there in 1938. Mr. Morrison has been with the company for many years as an underwriter and since 1934 as agency superintendent.

Taylor General Adjuster for Founders F. & M.

Hugh W. Taylor has been appointed general adjuster of Founders Fire & Marine. Mr. Taylor served with the navy in the war, and was previously with Travelers for several years.

Hubbs Now in Home Office

ST. PAUL—Ronald M. Hubbs, who was manager in Los Angeles for St. Paul F. & M., has been brought to the home office as an executive assistant. Before entering the service, in which he spent three years overseas, he was with St. Paul at San Francisco.

Charles H. Blackall, attorney and former Connecticut commissioner, and Fred M. Castonguay, president of the insurance firm of Castonguay, Morrison & Cheney, have been elected to the board of Central Union of the Scottish Union & National group.

Boston, Old Colony '46 Record Shown

Premiums written of Boston and Old Colony last year totaled \$14,656,161 as against \$9,583,354 in the previous year. The premium reserve was increased by \$2,558,146.

Automobile premiums went up from \$932,132 to \$1,821,115; marine writings increased from \$2,293,755 to \$3,354,648.

The earned loss ratio including adjustment expenses was 57.7 and the written expense ratio was 40.9.

There was a depreciation in security values of Boston of \$1,511,719 and of Old Colony of \$408,536.

Surplus of Boston remained at \$15 million and of Old Colony at \$6½ million. In 1945 voluntary reserves were established so that it is this account that shows a decline rather than net surplus.

Redwitz Becomes Assistant Secretary Security, Conn.

E. O. Redwitz has been named assistant secretary of Security of New Haven. Before joining Security in 1920 as state agent for Kentucky, he was engaged in local agency and field work. He went to the home office in 1946. He will direct the agency development department.

Starts Home Office Addition

ST. PAUL—Construction began this week on a five story addition to the home office of St. Paul F. & M. to provide additional space for the increased number of employees. St. Paul also has acquired additional ground on the Sixth street side for a much larger addition to be erected later.

Follingstad Now Travels for Wm. H. McGee & Co.

Earl H. Follingstad, well known Chicago marine man, has gone with the midwestern branch of W. H. McGee & Co. as a field representative and is traveling in various states in that territory. His headquarters are in Chicago.

At one time he was Chicago branch manager of Fidelity & Guaranty Fire, and later connected at Chicago with National Surety Marine as special agent. Newhouse & Sayre, as marine and all risks underwriter, then with the western marine department of Aetna Fire as underwriter.

Northeastern's Figures

Assets of Northeastern amounted to \$7,779,632 at Dec. 31, an increase of about \$250,000. Surplus declined from \$1,518,688 to \$1,038,006, due mainly to increase in premium reserves from \$2,675,499 to \$3,432,777.

1794

153RD ANNIVERSARY

1947

THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA

308 WALNUT STREET, PHILADELPHIA 6, PA.

Pick M
Mich.

DETROIT

Insurance on the eve selected M the fall co Grand Ho session wa

Attenda and field r mid-year more than ute was p Agency."

Commit learn from sources re nounce re David A. featured sp session.

Commission department for more

The con zone meet cities befo public rel sized. On

The Gran March 14. relations p It was a plaque sui of each st

N. Y. L

ALBAN

which has York's ra industry l able liber York law deviations on this p made to c

Pick Mackinac for Mich. Fall Meeting

DETROIT—The Michigan Assn of Insurance Agents executive committee, on the eve of the mid-year meeting here, selected Mackinac Island as location for the fall convention, to be held at the Grand Hotel Sept. 1-4. The committee session was attended by 20 members.

Attendance of from 450 to 500 agents and field men at general sessions of the mid-year meeting, was indicated, with more than 700 at the banquet when tribute was paid to "The Woman in the Agency."

Committee members were gratified to learn from apparently well-authenticated sources that Gov. Sigler plans to announce reappointment of Commissioner David A. Forbes when he appears as featured speaker at Thursday's luncheon session. If this report materializes Commissioner Forbes will be the first department head in many years to serve for more than four years.

The committee decided that four more zone meetings will be conducted in key cities before spring, with legislation and public relations as the topics emphasized. One definite date has been set. The Grand Rapids meeting will be held March 14. The National Board's public relations program was heartily endorsed.

It was decided to issue a membership plaque suitable for hanging in the office of each state association member.

N. Y. Law Liberalization

ALBANY—Enactment of the bill which has been introduced to bring New York's rating laws in line with the all-industry bill would result in a considerable liberalization of the present New York law, particularly with respect to deviations. The present law is so strict on this point that very little effort is made to obtain deviations.

American Rearranges Mo. Field Supervision

American has made a number of field changes, following the death of O. D. Cox, Missouri state agent.

Kenneth L. Hingst is appointed state agent for Missouri outside St. Louis, St. Louis county and St. Charles county, and Arthur C. Cosgrove, special agent, will assist him in the western Missouri field, both with headquarters at Kansas City.

Mr. Hingst is a graduate of Iowa Wesleyan and has had field experience in Missouri, Minnesota and Illinois. He was an army lieutenant in the war.

Mr. Cosgrove joined American in January, after having been with Oklahoma Inspection Bureau four years.

Special Agent Waldemar H. Ogren is assuming supervision of the eastern Missouri field outside St. Louis, St. Louis county and St. Charles county, replacing Special Agent Harold G. Scott, who was transferred to southern Illinois, succeeding Frank A. Nelson, the latter having recently been appointed assistant manager of the fire underwriting department at Rockford.

Mr. Ogren joined American in 1929, and spent some 10 years in the underwriting and loss departments at Rockford. In 1941 he was assigned as special agent in Illinois, where he served until joining the navy in 1944. Upon returning, he was appointed special agent in western Missouri.

Allyn Is Reappointed

The state senate has approved the appointment of W. Ellery Allyn as Connecticut commissioner for another four-year term.

G. G. Fogg Is Promoted

Travelers has appointed G. G. Fogg as assistant chief accountant. He has been with the company since 1925.

N. Y. Rate Changes

NEW YORK—The new general liability rates filed for New York state show reductions for products liability and protective, the reduction being slight in the latter classification. For elevator liability, O. L. & T., and manufacturers and contractors the rates are up, although for certain property damage coverages there is a reduction. The lower rate on products liability appears to be due to more aggressive sales efforts which have reduced the effect of adverse selection. Formerly the coverage was bought almost exclusively by concerns that were fairly sure they would have need for coverage.

Fireman's Fund Promotions

The Fireman's Fund group has advanced several officers. Former Commissioner Maynard Garrison, who joined the group Feb. 1, has been elected a vice-president of all companies of the group and has been assigned executive duties, assisting President J. F. Crafts in country-wide management of the companies.

R. L. Ellis, vice-president of the fire companies, has been elected a vice-president of Fireman's Fund Indemnity and Western National Indemnity, succeeding the late B. G. Willis in the supervision and direction of the casualty companies on the Pacific Coast.

E. V. Mills, controller and treasurer of the indemnity companies since 1944, has been elected vice-president of all companies and will have the title of vice-president and controller.

Fred H. Merrill, financial secretary, has been elected vice-president and financial secretary of all companies. H. C. Botorff, assistant to the controller, has been elected treasurer of all companies. J. S. Selfridge has been elected assistant financial secretary of all companies. He has been in the investment department since 1936.

Baltimore Loss May Be \$1½ Million

Fire of unknown origin Monday night caused damage to the May Company's Baltimore department store estimated at approximately \$1½ million. This is a "sidewalk estimate," as it has not yet been possible to make any detailed appraisal of the loss nor to determine how much of the loss is to contents and how much to structure, though the latter was quite extensively damaged. The building is of fire-resistive construction and sprinklered.

Information so far available does not indicate why the sprinklers failed to control the fire at its inception. Insurance, which is understood to be ample to cover the loss, was carried in a large number of stock, mutual and reciprocal carriers.

Aetna Casualty Is Opening Syracuse Office

Aetna Casualty is opening a Syracuse office with G. Morris O'Brien as manager.

Wadsworth & Olmstead, who for many years have served as general agents in this territory, will devote their attention to their personal business.

The new office will be in the Chimes building and also will have facilities for fire and marine.

Mr. O'Brien was born at Jonesboro, Ark., and is a graduate of Arkansas law school. He has been field supervisor in the home office agency department. His original connection with Aetna was with the Little Rock general agency. Subsequently, he served as a field man in Texas for five years and as a home office representative for three years. He was named a field supervisor in 1941.

George P. Rabe, Sr., 81, head of the Rabe agency, Dayton, O., died Monday.

INTER-OCEAN REINSURANCE COMPANY

FINANCIAL STATEMENT AS OF DECEMBER 31, 1946

ASSETS		LIABILITIES	
Cash in banks	\$ 471,657.20	Unearned premiums	\$3,740,201.52
United States Government bonds	3,306,992.69	Reserve for losses	587,179.08
Other bonds	429,524.04	Reserve for adjustment expense	21,847.40
Preferred stocks	397,815.00	Reserve for taxes	20,326.69
Common stocks	807,367.00	All other liabilities	30,528.87
First mortgage loans FHA	329,472.82		
Other first mortgage loans	34,940.91		
Real estate sold under contract	49,000.00		
Home office	82,441.91		
Accrued interest and rents	25,658.43		
Reinsurance recoverable on paid losses	26,629.16	Capital	\$ 500,000.00
Premium balances (not over 90 days)	449,564.79	Surplus	1,547,227.21
Surrender value of life insurance policies	36,246.82	Surplus to policyholders	2,047,227.21
Total admitted assets	\$6,447,310.77	Total	\$6,447,310.77

Note: On the basis of December 31, 1946 market quotations for all bonds and stocks owned, the company's total admitted assets would be increased to \$6,537,858.86 and the policyholders' surplus to \$2,137,775.30. Securities carried at \$500,000 in the above statement are deposited as required by law.

HOME OFFICE
Cedar Rapids
Iowa

REINSURANCE
FIRE AND ALLIED LINES
PRO RATA AND EXCESS OF LOSS

EASTERN DEPARTMENT
90 John Street
New York

EDITORIAL COMMENT

Subrogation and Soft Hearts

The practice of companies in taking subrogation in losses where they can fix the responsibility on a third party and collect from him is assailed in a recent article by Albert W. Fribourg in the New York "Sun." Mr. Fribourg is a frequent writer on insurance matters and has quite a following.

Mr. Fribourg cited the case of an up-state New York contractor who was sued by an insurer and who faced bankruptcy if forced to pay for the loss caused by a fire due to his negligence. He went on to say that instead of a fire company taking subrogation and suing in such cases "it would seem fairer that an insurance company which is in the business of assuming risks should actually pay a loss and not seek reimbursement." Mr. Fribourg doesn't question the companies' legal right to seek recovery from those whose negligence causes needless losses but he questions the social justification.

There is no doubt that it sometimes seems heartless to hold a businessman to his responsibilities when the result will be to ruin him but it seems unrealistic to ask that fire companies regard them-

selves as eleemosynary institutions when other creditors are supposed to feel no qualms about seeking what is due them.

There is also a question under the various rating laws, existing or to be enacted, whether a company could justify a policy of refraining from exercising its subrogation rights when inaction could be shown to cost the company money. Should the general public be asked to pay higher rates because fire companies pursue a soft-hearted policy with respect to subrogation?

The answer, of course, is that all who are in danger of being held responsible for negligently causing fires should carry adequate liability insurance. "Adequate" would mean limits far beyond the usual nominal amounts usually taken, for a fire can cause damage running into big figures. If use and occupancy is added—as it was in case cited by Mr. Fribourg, the liability can be much greater.

But in any event, it seems unreasonable and very likely contrary to state rating laws, for companies to give up their subrogation rights merely because their enforcement will cause those responsible for fires to pay till it hurts.

A Shrewd Move by Mr. Dineen

In sponsoring a bill in the New York legislature to permit the New York department's rating bureau to make its services available at cost to other states, Mr. Dineen has made a very astute move, both as to the long-range problem of preservation of state supervision and the short-haul problem of getting the all-industry rating bills adopted by as many states as possible. One of the main arguments against the general adoption of the all-industry rating bills is that such an elaborate degree of regulation would be prohibitively expensive for the smaller or less populous states which have only limited budgets for their insurance departments.

If Mr. Dineen's proposal goes through, and since his party has a majority in the legislature there seems little doubt that it will go through, those states that are sincerely troubled about the expense of setting up an elaborate and well-staffed rating bureau in their departments can stop worrying about the expense. Whatever service they need beyond their own capacity they can buy from New York—and at wholesale.

Of course, the proposed law would

not automatically settle the problem. Many departments would doubtless be quick to make use of New York's facilities but there are others that would balk. There has been evidence in past years that some states resent any suggestion of leadership on the part of the Empire State. Indeed, on some occasions there has been the suspicion that some commissioners, in setting their courses, took pains to be sure they were not on the same track with New York. Possibly, however, the greater threat of being made subservient to federal leadership may overcome any resentment at New York's position and bring about a more genuinely cooperative attitude among the states in the interest of state supervision.

One possibility that Mr. Dineen's proposal brings very much to the fore is that the New York department's rating bureau, with other states in the role of subscribers, may develop into a co-operative interstate rating bureau.

At all events, a logical development, and one that shows signs of getting under way, is the interchange of information among departmental rating bureaus. For states just setting up such bureaus, it is natural to look to New

York for useful pointers because of that state's long experience in rate regulation.

This will doubtless lead to regional and, perhaps eventually, national meetings of departmental rating bureau staff members to discuss common problems. Many matters of detail and procedure could doubtless be settled in this way. This sort of thing would tend to greater uniformity among the states than would

be the case if each state set off on its own original tangent in setting up the rating bureau necessitated by its new or stricter control over rate-making. Even at worst, there is bound to be considerable similarity between the rating laws of the different states and to the extent that there is such similarity conferences among department rating bureaus can bring about the greatest degree of uniformity.

Men of Yesterday and Those of Today

We often hear men in casual conversation regretfully say that "we should have at present the big men of past years who were leaders. If they were in the saddle there would be a different story to tell."

In other words, these critics bring back the men of yesteryear to administer the companies and organizations of today.

Men of 25 or 50 years ago were giants in those days, no doubt. However, the character of the business and its administration now, is entirely different from then.

In times past, insurance was far more simple. The administration of insurance companies did not have around it the many complications of this day.

The men of the past got their business largely through their personality. If they were producers in the past, if they were field men, they made their mark by their individuality, their cordiality, and their knowledge of how to deal with people. They did a splendid work in times past. They were men

who were types of officials that were needed. They realized the demands of their day.

However, the men of that generation would be lost in attempting to administer a company, an organization or an agency today. There are a thousand complications, and different kind of problems. There are new demands. The insurance business is not simple at all today. It is a highly technical business in many ways. There are many insurance organizations that have to be looked after.

The men administering insurance today are well adapted to their positions. They would have been lost in attempting to run the insurance business of 25 or 30 years ago. However, they are trained for the new era, the new day, the new modern demands. The men of yesterday would be lost today. The men of today are doing a magnificent job. The men of yesterday did a wonderful job. Insurance enters a new era from time to time and it demands men that era.

PERSONAL SIDE OF THE BUSINESS

Orville Sheffer of Sheffer-Cunningham, adjusters, Wichita, was married to Miss Ann Marie Gill of Kansas City, a sister of Mrs. C. J. Wintrol, whose husband is Royal-Liverpool state agent at Wichita.

ANCEL A. Earp, drafted by civic leaders as candidate for mayor of Oklahoma City, has withdrawn from the campaign. He explained that after consenting to become a candidate he learned that if he were elected, Oklahoma statutes and city charter would not permit him to continue as a local agent in which business he has been engaged for more than 20 years. For many years he has written bonds for contractors on city work, which practice he could not continue legally if he were mayor.

T. Alfred Fleming, director of conservation of the National Board, will spend the week of March 2 in Kansas and Oklahoma and will address the architectural students of the state universities. He will visit Topeka March 3 to address the Kiwanis Club and other groups and will spend March 4 in Wichita, where he will be featured at a

luncheon sponsored by the fire prevention committee of the Chamber of Commerce, with the Wichita Assn. of Architects and Wichita Assn. of Insurance Agents in attendance. He will address school groups in Wichita and make a radio appearance.

Robert E. Israel, Wichita local agent and city commissioner, and Mrs. Israel were on hand at the home of their daughter, Mrs. Tom Slattery, at Alameda, Cal., for the arrival of their eighth grandchild, a 9½-pound boy.

Following the death of R. W. Forshay of Anita, Ia., who had just retired as president of National Assn. of Insurance Agents, a movement was started to create a memorial in tribute to him. It was decided to raise a fund to be presented to Mrs. Forshay to send her daughter to college. The daughter, Alanna, is now in her second year of high school at Newton, Ia. Following Mr. Forshay's death, his wife, who had been a teacher, moved to Newton to become a teacher of history in the high school there. No decision has yet been reached as to where the daughter will go to college.

THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY



Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone Wabash 2704.
EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editor: F. A. Post. Associate Editors: D. R. Schilling, J. C. O'Connor. Assistant Editors: Richard J. Thain, John C. Burridge.

BUSINESS DEPT.: Howard J. Burridge, President. Louis H. Martin, Vice-President and Secretary. John Z. Herschede, Treasurer.

BRANCH OFFICES IN KEY CITIES

ATLANTA 3, GA.—560 Trust Co. of Ga. Bldg., Tel. Walnut 5867. Ernest E. Hess, Southeastern Manager.

BOSTON 16, MASS.—258 Park Square Bldg. Tel. Hubbard 8696. William A. Scanlon, Vice-President.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, Associate Manager. L. N. Yelloweas, Advertising Manager.

CINCINNATI 2, OHIO—420 E. Fourth St.

Tel. Parkway 2140. Abner Thorp, Jr., Vice-President. George C. Roeding, Associate Manager. George E. Wohlgenuth, News Editor.

DALLAS 1, TEXAS — 802 Wilson Bldg., Tel. Central 5833. Fred B. Humphrey, Southwestern Manager.

DES MOINES 12, IOWA—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT 26, MICH.—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards,

Resident Manager.

MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg., Tel. Main 5417. R. W. Landstrom, Resident Manager.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

NEW YORK 7, N. Y.—99 John St., Room 1103. Tel. Beekman 3-3958. Editorial Dept. — R. B. Mitchell, Eastern Editor; Kenneth O. Force,

Associate Editor. Business Dept.—Ralph E. Richman, Vice-Pres.: J. T. Curtin and W. J. Smyth, Resident Managers.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO 4, CAL.—507-S-9 Flatiron Bldg., Tel. EXBrook 3054. F. W. Bland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.

on its
up the
ts new
making.
be con-
rating
to the
ty con-
ng bu-
est de-

Both Mr. and Mrs. Forshay graduated at University of Iowa.

Allan Wolff of Chicago, former N.A. I.A. president, was chairman of the memorial committee.

John M. Gilbertson, who recently resigned as special agent of London Assurance at San Francisco to enter the contracting business, was tendered a testimonial luncheon by James C. Hitt, coast manager. Mr. Hitt presented him a fine wrist watch and paid him a tribute for his more than 20 years' service in the claims department and in the field.

F. V. Rudd, vice-president of Marsh & McLennan at Detroit, was a passenger on the Pennsylvania railroad's Red Arrow that was wrecked the other night at Horse Shoe curve near Altoona, Pa. He was not injured.

Robert A. Wilson, assistant regional director of the State Farm companies and member of the Richmond, Va., charter commission, has received the U. S. Junior Chamber of Commerce distinguished service award as Richmond's outstanding young man of the year for services rendered in 1946.

Vernon Sharp, Jr., of Bransford-Sharp, past president of the Tennessee Assn. of Insurance Agents, has been elected president of the Nashville Vanderbilt Club. He starred in football at Vanderbilt.

Richard Winters has returned from service as a lieutenant commander in the navy and joined the local agency of his father, N. McCullough Winters of Quincy, Ill., past president Illinois Assn. of Insurance Agents. The young man is studying the insurance business under the GI bill. Mr. Winters' two other children also have been in service, John, twin brother of Richard, having returned from the battle of the bulge to complete legal training at Ann Arbor, Mich., and Anne having been assigned to duties in the Nuernberg trials, marrying there a young attorney, Mr. Woolleyham, who has been named to lead the prosecution of the indicted Nazis.

A. E. Gilbert, vice-president and fire manager of American International Underwriters, is taking a business trip to Europe. He will visit England and most of the countries in western and central Europe.

DEATHS

George Rogge, 54, Gary, Ind., local agent for 24 years, died from a heart attack. Two sons, William and Don, have been associated with him in business.

Reprint Composite of Embezzlements Stories

Responding to requests, there has been prepared a composite of reprints of recent National Underwriter stories of headline embezzlements. These are arranged on both sides of an 8½ x 11 sheet, suitable for mailing. Two of the stories concern the \$800,000 Mergenthaler case; there is the story of the Western Electric case of the same proportions; the story specifying numerous large losses accomplished by Class C employees, and the story of the \$96,000 loss suffered by Trojan Publishing Corp. and Arrow Publications, Inc.

Prices are: \$3 for 100; \$6 for 500; \$8.50 for 750 and \$10 for 1,000.

Aircraft Experience Reported for 1946

	Net Premia.	Paid Losses
Amer. Aviation & Gen...	\$ 177,362	\$ 98,160
Blue Ridge	12,030	2,072
Buckeye Union	2	.....
Camden Fire	962	63
Employers Fire	27,323	8,437
General	41,523	22,116
Inter-Ocean Reins. ....	.....	11
Northwestern F. & M.	3,015	1,529
Planet	141	.....
St. Louis F. & M.	6,298	1,355
Twin City Fire	603	304

Car Injury Loss Ratio 40%

ALBANY—On the basis of casualty company reports filed up to the beginning of this week, automobile bodily injury loss ratios on New York State business should be about 40% on a written-paid basis. Statements thus far filed show automobile bodily injury premiums of \$26,047,872 or a little less than half of the corresponding figure of \$56,084,148 for all companies for 1945. Losses paid, as shown in statements filed thus far, totaled \$10,431,015.

Property damage losses on automobile business showed a substantially higher loss ratio on a written-paid basis, being 51.8% on the basis of premiums of \$8,297,200 and losses of \$4,297,039.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago
Feb. 24, 1947

	Par.	Div.	Bid	Asked
Aetna Casualty	2.00	84	86	
Aetna Fire	1.80*	52½	54	
Aetna Life	1.60*	44½	46	
American Alliance	1.00*	20½	22	
American Auto .....	.80	32½	34	
American Casualty .....	.60	12	13	
American (N. J.) .....	.70*	19	20	
American Surety	2.50	57½	59	
Baltimore American .....	.30*	5%	6½	
Boston	2.20*	65	65	
Camden Fire	1.00	22	23	
Continental Casualty	2.00*	52	53	
Fire Association	2.50*	58½	60	
Fireman's (N. J.) .....	.50	14	15	
Franklin Fire	1.00	21	23	
Glens Falls	1.85*	50	52	
Globe & Republic .....	.50	8½	9½	
Great Amer. Fire	1.20*	29	30	
Hanover Fire	1.20	26	27	
Hartford Fire	2.50*	108	110	
Home (N. Y.)	1.20	26½	27½	
Ins. of N. Y.	3.00*	96	98	
Maryland Casualty .....	.80	12	13	
Mass. Bonding	4.00	81½	85	
National Casualty	1.25*	29	31	
National Fire	2.00	52	53	
National Lib. .....	.30*	5%	6½	
National Un. Fire	5.00*	155	165	
New Amsterdam Cas.	1.00	26½	28	
New Hampshire	1.00*	50	52	
North River	1.00*	24	25	
Ohio Casualty .....	.80	35	37	
Phoenix, Conn.	2.00*	91	93	
Preferred Accident .....	.....	6	7	
Prov. Wash.	1.40*	36	37	
St. Paul F. & M.	2.00*	73	75	
Security, Conn.	1.40	31½	32½	
Springfield F. & M.	4.75*	112½	115	
Standard Accident	1.45	29	31	
Travelers	18.00	605	615	
U. S. F. & G.	2.00*	44½	45½	
U. S. Fire	2.00	52	54	

*Includes extras.

J. R. GARDNER President

J. M. B. PETRIKIN... Vice-President D. A. HOLADAY..... Treasurer
G. N. GARDNER... Vice-President HAZEL O'NEILL Secretary

NAY COCHRANE, Special Agent

1118 Salisbury Drive, Cincinnati, Ohio

Forty-Third Annual Statement

THE MERCHANTS FIRE INSURANCE COMPANY DENVER, COLORADO

DECEMBER 31, 1946

ASSETS

Cash in Banks and Office	\$ 185,589.52
Bonds (at amortized values)—	
U. S. Government	\$1,749,968.06
State	25,983.39
Municipal	618,364.67
Total Bonds	2,394,316.12
First Mortgage Loans on Real Estate	304,088.56
Accrued Interest on Bonds and Loans	9,231.58
Agents Balances and Other Accounts	320,562.38
Stock—Insured Building and Loan Assn.	5,000.00
	\$3,218,788.16

LIABILITIES

Reinsurance Balances	\$ 119,432.25
Loss Claims in Process of Adjustment	
(Less—Losses Reinsured \$49,123.16)	159,541.43
Accrued Taxes and Expenses	55,450.92
Accounts Payable	12,819.93
Reserve for Unearned Premiums	1,670,698.15
Reserve for Possible Loss of Accounts	5,000.00
Reserve for Contingencies	9,500.00
Capital Stock	400,000.00
Surplus	\$789,855.22
Less Assets not admitted	12,509.74
	786,345.48
	\$3,218,788.16

POLICY HOLDERS' SURPLUS \$1,186,345.48

This statement is Based on Report Filed with the Insurance Commissioner of the State of Colorado.

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD.

ORIENT INSURANCE COMPANY

LAW UNION & ROCK INSURANCE COMPANY, LTD.

SAFEGUARD INSURANCE COMPANY

ENGLISH AMERICAN UNDERWRITERS AGENCY

STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Dept.)

LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA

Eastern Department
20 Trinity St.
Hartford, Connecticut

Pacific Department
332 Pine St.
San Francisco, Cal.

Western Department
223 W. Jackson Blvd.
Chicago, Illinois

For Over Fifty Years Good Friends of Local Agents

Property Facts Are Basic

The starting point
for sound solution of
problems of Insurance,
Income Taxation,
Accounting and Fi-
nance is an accurate
knowledge and record
of Property Facts.

The AMERICAN APPRAISAL Company

VALUATIONS • PROPERTY RECORDS
DEPRECIATION STUDIES

Barrus Is Reappointed

CHEYENNE—Rodney Barrus has been reappointed by Gov. Hunt as Wyoming insurance commissioner and the nomination was approved unanimously by the senate. The new term runs from March 1, 1947, to March 1, 1951.

WANT ADS

WANTED

Marine insurance underwriter
Experienced
Large company
Opportunity for advancement
5 day week

Firemen's Insurance Company
120 So. La Salle Street
12th Floor — Tel. Central 8570

CLAIM MANAGER

By a small midwest fire and casualty company with a progressive organization that has tripled its premium volume in 1946 and will double its 1946 volume this year. An excellent opening for an under claim executive of a large company. Please give full particulars including age, education, experience and salary requirements. Address Box K-74, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

ACCOUNTANT FOR FIRE INSURANCE COMPANY

Excellent opportunity with mutual company for accountant with fire insurance experience; someone who is interested in becoming chief accountant, or actuary at our home office, located at Milwaukee, Wisconsin. Kindly tell us your age, qualifications, and salary desired. Address K-78, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE

Personnel and office manager 44 years of age with fire and casualty experience wishes change. Will go anywhere. Address K-72, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

OHIO FIELD MAN

WANTED

Stock fire insurance company has opening for young man to travel Cleveland and surrounding territory. Excellent opportunity for qualified applicant. In reply state age, experience and general qualifications. Address K-67, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Experienced insurance man to assume charge of office in growing agency. Good starting salary and a real future to right man. Pleasant Illinois city. Write fully—replies treated confidentially. Address K-71, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

For fire insurance inspectors young men with knowledge of underwriting, interesting work and valuable experience for future in fire insurance business. Give full information on education and business experience. Address K-49, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

To sell good sized agency in large midwest city. 15 years average loss ratio less than 25%. Fire clientele. Good clean business. Owner retiring from active business. Address K-77, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIELD REPRESENTATIVE

For young and progressive Fire Company for State of Ohio. Knowledge of Inland Marine preferred. Capable young man with only agency experience considered. Address K-76, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Rockford Board Dinner Launches Auto Study Course

The Rockford (Ill.) Assn. of Insurance Agents wound up the second portion of the National Assn. of Insurance Agents study course this week, with the examination in boiler and machinery insurance, and will start the automobile insurance course next week. The fire course was given last fall. The group of approximately 30 has maintained a high level of attendance and examination scores.

The largest crowd in the history of the Rockford board, 68, turned out last week for a dinner in recognition of the success of the course. J. A. Johnson, Jr., president of the board, introduced F. H. Sabin, supervisor of American, who is coordinator of the course, and a number of the discussion leaders. C. T. Wilson of the board's educational committee introduced J. C. O'Connor, Chicago, editor "Fire, Casualty & Surety Bulletins" and associate editor THE NATIONAL UNDERWRITER, who made the principal talk.

Editor O'Connor Comments

Mr. O'Connor complimented the Rockford agents on their record in educational work and pointed out the need for knowledge on the part of agents and their associates in the coming competitive battle. He emphasized that the only possible advantage a direct writing carrier can have over an agency company would be one created by the agents themselves—duplication of expense through agents leaning on field men for services they receive commissions to perform. If this should persist, the only salvation of the agency business would be to reduce the agent to the status of a "bird dog," with a compensating reduction in commission. By acquiring the knowledge to stand on his own feet and by carrying his share of the responsibility, the agent can avoid this and place the agency system in an excellent competitive position, Mr. O'Connor said. An open forum, covering a variety of subjects, followed his talk.

N. Y. Court Holds U. & O. Loss Under Appraisal

NEW YORK—The New York county supreme court held in a trial here that the appraisal provision in a fire policy applies to business interruption insurance written under it and ordered American, defendant in the case, to submit to examination as to its refusal to proceed with an appraisal following a loss.

This ruling by Justice Hecht came after the company opposed the application of the insured, Jacob G. Cohen, for a pre-trial examination of an officer of the company as to its reasons for refusing to proceed with the appraisal. The insured had charged in his complaint that he had demanded an appraisal, but the company had refused to name its appraiser. Justice Hecht held that the appraisal clause sets up a condition precedent to suit on the policy and hence that the insured must establish either that there has been an appraisal or that the company has waived it.

Big Oklahoma City Loss

The Cheatham Furniture Co., 1500 West Main street, Oklahoma City, was destroyed by fire Feb. 18 with an estimated insurance loss of \$100,000. American Eagle and Union Marine & General have \$33,000 on machinery, and State of Pennsylvania has \$31,500 on stock under a reporting form. There was \$18,000 of business interruption in New England Fire and Connecticut Fire. Insurance was written through the T. R. Phillips, Jr., agency and Fred Fox. Askew Adjustment Co. is handling the loss. The Cheatham Co. manufactured tables and book cases.

Minner Now V.-P. and Secretary

NEW YORK—Raymond E. Minner, secretary of National Liberty and Baltimore American of the Home group, has been advanced to vice-president and secretary of those companies; William L. McIntyre, manager of the Home group's auditing department, has been made assistant secretary of National Liberty and Baltimore American; and Howard H. Lukens has been advanced from assistant treasurer to treasurer of Franklin Fire.

Mr. Minner began his insurance career in a local agency in Marion in his native state of Kentucky. In 1917 he became manager of the Illinois Inspection Bureau office at Springfield. In 1923 he went with Aetna as state agent in Illinois. In 1930 Mr. Minner became associate state agent for the Home fleet in Illinois. Six years later he went to the home office as eastern department supervisor. He was elected assistant secretary of National Liberty and Baltimore American in 1939 and secretary in 1942.

Mr. McIntyre joined National Liberty in 1922 as chief accountant. In 1928 he became personnel manager for the Home fleet and in 1942 was made manager of its auditing department. Mr. Lukens has been with the Home group for many years. John Glendenning, who is vice-president and secretary of Franklin, has relinquished the title of treasurer, to which Mr. Lukens has succeeded.

Reports on Reserve

The Illinois department has released the report of an examination of Reserve of Chicago as of July 31, 1946, showing assets \$295,321, capital \$200,000, and net surplus \$61,294. The company was formed in January, 1946, and in June took over Reserve Mutual Casualty.

President and general manager is Fred E. Law and secretary and agency supervisor is M. J. Law.

Premiums, most of which were for group hospitalization, totaled \$138,743 and claim payments were \$74,428, giving a ratio of 62.35.

1946 MUTUAL FIRE RESULTS

	Adm. Assets	Unearned Prems.	Net Surplus	Net Prems.	Net Losses Paid
Automobile Mutual	5,573,078	291,408	4,925,583	561,903	150,806
Country Mutual Fire	5,926,288	2,059,081	2,678,496	3,393,541	1,321,580
Farmers Alliance	2,588,724	1,597,877	854,070	1,382,042	559,971
Farmers Mutual, Neb.	2,237,331	521,776	1,689,007	910,057	421,592
Fitchburg Mutual Fire	826,647	485,662	281,109	467,851	164,619
Grain Dealers Natl. Mutual	6,842,005	4,116,774	1,925,391	5,697,003	1,983,389
Hamilton County Mutual	1,590,095	209,465	1,096,522	98,278	31,541
Indiana Union Mutual	299,587	201,497	79,419	288,793	83,956
Iowa Hardware Mutual	675,919	272,474	300,090	421,364	196,545
Los Angeles Mutual Fire	645,222	163,640	473,030	116,642	18,052
Lumbermens Mutual, O.	3,163,780	3,107,047	1,349,629	3,511,918	1,255,616
Mill Owners Mutual Fire	4,103,643	2,862,527	766,655	3,202,946	1,285,621
Mutual Fire & Inland	4,113,470	510,510	3,263,885	467,132	375,047
Natl. Jewelers Mutual Fire	357,454	65,567	269,985	89,170	39,215
New York Central Mutual	782,877	350,200	373,967	386,774	164,052
Northwestern Mutual Fire	17,698,479	12,208,635	3,700,959	12,645,767	4,237,901
Ohio Hardware Mutual	416,898	245,338	105,053	315,170	137,121
Pa. Millers Mutual Fire	5,108,005	1,500,235	2,682,521	1,833,322	628,792
Protective Fire	161,328	53,302	101,167	129,097	49,865
Salem Mutual Fire	212,620	128,968	75,346	92,910	59,658
Standard Reliance	320,398	138,890	111,752	353,460	108,100
Union Mutual Fire, R. I.	2,540,779	1,386,388	726,031	1,042,896	503,137
Utica Fire	706,810	341,181	328,514	319,221	145,456
West Bend Mutual Fire	825,755	282,913	513,819	273,705	87,386
RECIPROCAL AND LLOYDS					
Fire Insurance Exchange	685,813	476,065	150,067	353,492	81,813

WANTED—TENNESSEE

Fire Underwriter
and
Safety Engineer

Successful, progressive young multiple writing Fire and Casualty Insurance Company has two important and attractive openings. Desire man fully experienced in Southern Territory. Excellent opportunity. State experience, age and salary expected. Replies confidential. Our employees know of openings. Address K-70, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Puckette Takes Insurance News Post at Dallas

DALLAS—John E. Puckette, former editor-president of the "Insurance Field" and more recently editor-in-chief of the "Insurance Index," has joined the "Insurance Record" of Dallas as managing editor and Lawrence Pool, formerly on the advertising staff of the "Reporter-News" of Abilene, Tex., has become promotion manager of the "Insurance Record."

Mr. Pool is a major in the air corps reserve. He served in the army air force more than 4½ years.

John C. Leissler, Jr., is editor-publisher of the "Insurance Record."

Agricultural Sets Premium Record

An increase of 42.1% in premium income, to reach an all time high of \$16,010,374, was recorded in 1946 by Agricultural and Empire State.

Premiums from fire and miscellaneous classes increased 38.3%. Losses and loss adjustment expense on these classes declined to 44.5% of premiums written. Automobile premiums increased 67% with a reduction in loss ratio of more than 10% from the previous year. Marine premiums increased 38.7% with a profitable loss record.

Combined assets for the two companies reached a new high of \$25,951,813.

Hardin, Ferguson Advance

William J. Hardin has been named chairman and W. Loring Ferguson president of Hardin & Ferguson, Inc., New Orleans.

Dairy, Taxis Burn in Fire

Fire Feb. 24 destroyed the two-story building of the Lakeview Dairy Products Co., 6115 Prairie avenue, Chicago, and 35 milk trucks and 12 taxicabs stored in the building. The loss is estimated at \$150,000.

The N. UNDER

Scan to Mo D. C.

Find Law All L

NEW

Columbia the all-in favor of measure Jordan is the all-in men here the comm hardly L judged, s competi ure. How if Congr materiall it may h sage of states.

As to against ground t degree of necessita trict and law, the trict's p siderably model. objection would b essarily even mo trict's p

WASH. SENAT

SEAT ate by insuran battle.

An at the "fut suddenly on the c their ta the insa the insa mutual co nize co stricken

The a move Seattle, recogni liability hearing insuran that the promise commiss allow c as an compr reported recom eral O discreti Filibus

The am of a fil who at eral O At t Lee, w a num princip A n sented.

Scan Objections to Model Bill of D. C. Commissioners

Find Present Fire Rating Law More Stringent Than All Industry

NEW YORK—While the District of Columbia commissioners' rejection of the all-industry casualty rating bill in favor of a less stringent and detailed measure sponsored by Superintendent Jordan is admitted to be a bad omen for the all-industry legislation, fire insurance men here point out that the position of the commissioners and Mr. Jordan could hardly be considered entirely unprejudiced, since they had their own bill in competition with the all-industry measure. However, it is conceded here that if Congress passes a measure differing materially from the all-industry models it may have quite an effect on the passage of all-industry legislation in other states.

As to the commissioners' objections against the all-industry model on the ground that it would provide a kind and degree of regulation in excess of that necessitated by conditions in the District and by the provisions of public law, the point is made here that the District's present fire rating law is considerably tighter than the all-industry model. Similarly, the commissioners' objection that the all-industry model would be extremely difficult and unnecessarily expensive to administer is an even more valid criticism of the District's present fire insurance rating law.

WASH. CODE PASSES SENATE AFTER BATTLE

SEATTLE — The Washington senate by a vote of 44 to 0 passed the insurance code bill after a 2½ hour floor battle.

An attempted filibuster by leaders of the "futile 15", left wing minority, ended suddenly after an ultimatum was served on the dissenters that if they continued their tactics an amendment to permit the insurance commissioner to recognize contingent liability of assessment mutual life policyholders would be stricken from the bill.

The fight on the floor stemmed from a move by Federal Old Line Life of Seattle, to require the commissioner to recognize as an asset the contingent liability of policyholders. Two special hearings had been held before the joint insurance committees and it was thought that the company had agreed to a compromise amendment which gives the commissioner discretionary authority to allow contingent liability to be carried as an asset. After the bill, with the compromise amendment had been reported out with a unanimous "do pass" recommendation, it developed that Federal Old Line was insistent that the discretionary feature be deleted.

Filibuster Action

The fight on the floor was not over the amendment, rather it took the form of a filibuster, led by Senator Rosellini, who at one time was attorney for Federal Old Line.

At the evening session Senator V. R. Lee, who introduced the bill presented a number of committee amendments, principally four major changes.

A number of amendments were presented, each accompanied by speeches

Say Dineen May Be "Needling the Brothers" in Bill

NEW YORK — Superintendent Dineen's bills designed to prevent monopolistic activities and other unfair trade practices have stirred up reactions among insurance men ranging from rage to good natured disbelief that Mr. Dineen is doing more than needling "the brothers" in the hope of getting a compromise measure through the legislature next year.

Critics of the bills point out that although the insurance business is tightly regulated by numerous sections of the insurance law, Mr. Dineen's proposal would add a general provision far stricter than the Donnelly act, which governs unfair practices in general business. One feature that is considered particularly objectionable is that the superintendent, after a hearing, could cancel a company's license without giving it a chance to take the matter to court.

It is pointed out that if the object is to keep the federal government from stepping into the picture the measure would fall short, for it could only serve to persuade the Justice Department not to take action. Furthermore, no matter how thoroughly the Justice Department might believe that the state was regulating insurance activities, any citizen who felt himself aggrieved under the Sherman law could take a company to court and sue for triple damages. The point is also made that New York's attorney general, Nathaniel Goldstein, in the letter on which Mr. Dineen relied in asking for the additional powers, nowhere states that this added legislation will be sufficient to keep the federal government from stepping in.

A hearing will be held March 5 in Albany before the insurance committee.

from the floor. Each amendment was promptly tabled by the conservative majority. The battle waxed hottest when Senator Beck demanded that the entire bill, numbering 195 pages, be read.

The tedious task was undertaken and about 10 minutes later, a recess was called. The reading was then continued.

Final Amendments

Most important of the final amendments is the rewritten casualty rating section.

The amendment simply calls for filing of rates and rules, adherence to the filing, giving the commissioner authority to disapprove a filing within 30 days and providing that if there is no disapproval that at the end of the 30-day period the filing automatically becomes effective.

Under another section, the commissioner is barred from applying a standard of excessiveness or inadequacy to casualty rates. However, under the rate-war clause he could use the adequacy standard if a rate war is actually in progress. He would have authority to disapprove, under a recent attorney general's opinion, if a filing impaired the solvency of a company. Under the anti-discrimination section of the code, the opinion held that an unfairly discriminatory rate could be rejected.

One of the final amendments deleted the provision making the office of insurance commissioner "nonpartisan." The present practice of having each major party nominate a candidate is being continued. Still another amendment raises the salary of the commissioner from \$6,500 to \$7,500.

Washington Bar Assn. was successful in securing amendment of the adjusters' licensing section. Lawyers who from time to time handle a claim or loss adjustment for an insurance com-

(CONTINUED ON PAGE 24)

Gordon OK.s N. J. Plan Offered in '46; Lists New Fields

The responsibility that those in the accident and health business must face in connection with cash sickness plans was emphasized by Harold R. Gordon, managing director Health & Accident Underwriters Conference, in addressing the New Jersey Women's Accident & Health Assn. at Newark, with especial reference to the situation in New Jersey.

He reviewed the plan submitted last year by the state commission studying that problem, which submitted a proposed bill requiring employers of four or more persons to pay benefits as scheduled to workers for unemployment due to sickness. Employers could self-insure or purchase insurance from private carriers.

"This plan is considered by most economists and those of long insurance experience as the best plan possible for the workers of this state," Mr. Gordon said. "It is definitely superior to either the Rhode Island or California plans." He expressed the hope that the commission "will determine again that private insurance is able to do the job without the state going into the disability insurance business, either alone or in competition with private carriers, as is done in California."

Protecting Small Employers

On the question which has been raised in New Jersey, as to whether private carriers can furnish protection to small employers—those with more than four and not more than 25 employees—at reasonable cost, Mr. Gordon said it has been demonstrated in several states through franchise coverage and through the regrouping of small groups into larger groups, that such collective small groups can be written at no greater costs and serviced as effectively as large groups. He also suggested that the assigned risk plan, used in the compensation field, could be applied to a compulsory insurance plan in New Jersey.

"We sincerely and honestly believe that we can do a better job than can any state insurance agency," Mr. Gordon said. "We must demonstrate the truth of this statement."

To meet the situation created by the appearance of these state plans, he said the business must discard some of its past ideas of underwriting, handling and servicing of the business and type of insurance.

"We must insure more people—we must insure them at the lowest possible cost—we must broaden our coverages. Companies must supply the need and salesmen must see that those who need it have it."

Some Laws Need Revision

Mr. Gordon said that in some cases state laws need to be revised or new laws enacted to enable private insurance to furnish complete and modern insurance protection and that statutes in many states have prevented companies from furnishing such protection to the public. He said that in most cases the business has received fine cooperation from the insurance departments along this line.

In taking up some of the newer developments and those likely to come in the field of disability insurance, he said the greatest advances in recent years have been made in group coverage, in which he included not only employer groups, but also franchise, association groups, family policies, and other specialized group lines. Group insurance, he asserted, is here to stay and is one of the most effective methods of covering small income workers.

(CONTINUED ON PAGE 24)

Promote Idea of Amalgamating Ill. and Chicago Groups

Single Agents Association in State with 1,500 Members Envisaged

There are an increasing number of Chicago local agents who believe very strongly that there should be one organization in the city and it should be composed exclusively of local agents. The Chicago Board has as members not only agents, but company executives and western managers. Chicago Insurance Agents Assn. has as members only agents paid on a commission basis.

Some of the legal opinions that have been given on organizations having both agents and company executives and managers as members insist that the companies are in a vulnerable position, especially where there are regulations of a restrictive nature.

In Chicago the opinion of the New York attorney general as to the legality of the New York Fire Insurance Exchange whose membership is mixed as in the Chicago Board, has been eagerly awaited. If the New York exchange can continue with some revisions in its rules, the Chicago Board members cannot understand why it will not be able to follow the same course. The recent opinion of the New York attorney general was not explicit as to the exchange.

Favor Strong State Unit

Some agents believe that there should be just one organization of agents in Illinois. They advocate the abolition of Chicago Board and Chicago Insurance Agents Assn. with all hands turning to Illinois Assn. of Insurance Agents. They believe this would simplify the situation. They envisage a membership in the state organization of 1,500 or 1,600 which would give it a very strong position.

Those promoting this idea say that the Illinois association could look after not only the fire insurance interests of the agents but could cover all other lines. The Illinois association would have much greater legislative influence, they point out.

Some of the main men backing the plan assert that its greatest advantage would be to bring the insurance cause before the people in a thoroughly friendly, and understandable manner. The conflicts between different organizations and classes at present are most harmful.

These discussions are provoking much thought and causing local agents to study all available information and seek a more friendly atmosphere in which to promote their cause.

Part and parcel of the program as envisioned by those promoting the idea, is the employment of a general manager for the state association if the dividing line between Chicago and downstate is abolished and all hands become enrolled in the single organization. However, if it proves to be unfeasible to do away with this division and Chicago Insurance Agents Assn. or some other Chicago agents organization remains in the picture, then it is proposed that there be employed a joint general manager who would act for both the city and state organizations. In this way policies and procedures could be coordinated and a high degree of uniformity would be brought about.

SIDNEY MORITZ SPEAKS

Tells of Plans to Restrict Check Cashing Concerns

NEW YORK—The operations of check cashing concerns, which recently became of special interest to bonding men because several embezzlements, notably the Mergenthaler case, involved checks cashed by check-cashers, were described by Sidney Moritz of Aetna Casualty, New York, at Surety Claim Men's Forum. Mr. Moritz made it clear that these embezzlements involved no reflection on the check cashing concerns.

In addition to the fidelity angle there is often a recovery under the forgery coverage carried by banks. While check cashing concerns are required by law to be bonded for \$5,000 the law specifies that the bond shall run for "the use of the state of New York," and there is some doubt as to whether this would protect any individual or bank that lost money through the concern's operations.

Bill Would Tighten Regulation

Mr. Moritz discussed a bill now pending in the New York legislature which would tighten up considerably the requirements imposed by the state banking department under which check cashers are licensed. The principal change would be that no licensee could cash a check, draft or money order of more than \$250. While this would eliminate only about 13% of the total number of items cashed it would eliminate about 72% of the amounts of money handled by these firms. The usual charge is .5% with a minimum charge of 25 cents.

E. V. Bell, superintendent of banks, recently pointed out that this proposal which he sponsored was intended to make it impossible to use the check cashing business as an aid to illegal activity and yet it would not prevent a check casher from rendering to the public the legitimate service which the state intended to provide. Apparently his theory is that passers of fraudulent checks would be discouraged if they could get only \$250 at a time.

Couldn't Draw Till Checks Had Cleared

Another change which would seriously affect the operations of some check cashers is a provision that all checks, etc. deposited by a licensee could be deposited for collection only and not drawn upon until they had cleared. Of somewhat less importance is a provision that checks must be endorsed with the actual name under which the licensee is doing business and must have the words "licensed casher of checks" legibly written or stamped immediately after or below the name. At present, because many patrons of check cashers prefer not to have it known that they are dealing with a check cashing firm, many cashing firms endorse with a stamp that is recognizable only to the banks.

There are 119 licensed check cashing concerns in New York State, some of them operated as independent businesses and some in conjunction with other types of enterprises, such as filling stations, restaurants, or cigar stands. They cashed checks amounting to \$373,510,991 in 1945, with the losses from bad checks amounting to only \$107,753. This was an infinitesimal percentage of the face amount and only 6.64% of the gross fees, totaling \$1,622,797, which they collected.

Walter Flynn, National Surety, chairman of the forum, announced that through the cooperation of Assn. of Casualty & Surety Executives the forum would soon be able to serve the industry with the distribution of law bulletins. The next meeting will be March 12. Francis A. Kelley of Excess will preside and speak on a subject to be announced later.

U. S. Agency Pleads for State Fund Monopoly in Cash Sickness Plans

Private insurance interests get little comfort from the report "Temporary Disability Insurance Coordinated with Unemployment Insurance" that has been put out by federal security agency of social security administration.

The report condemns both the California system under which both the state fund and private insurers are competing, and a system that would require all covered workers to be insured by private plans underwritten by commercial insurers, or through self insurance arranged by the employer.

"Contracting out," the report contends, "violates sound principles of social insurance by making it impossible to provide basic protection of all covered workers at the least overall cost. It creates serious administrative problems, and increases administrative costs."

No effective safeguards have been devised to prevent commercial insurers from getting the good risks and the state fund from getting the bad. Hence the state fund's experience is likely to be poor and that would cause the fund to be criticised unjustly.

Sees Adverse Selection

Employees who would choose to contract out, the report states, would generally be those who would get a cheaper rate or get what appears to be more liberal benefits under a private contract. It is certain, the report contends, that the most burdensome rates would fall on the workers least able to pay.

Even if it were possible to prevent adverse selection against the state fund at the outset, there is no way of preventing private insurers from canceling lines that turn sour.

Also the report denounces private participation on the ground that underwriting and adjudication costs to commercial insurance are much higher than administrative costs in social insurance. In Rhode Island the amount provided for administration is 4% of contributions, whereas in California it is 5%.

Much Interest in Purdue Accident

Whether Purdue University carried public liability insurance could not be immediately determined following the collapse of the wooden stands during the Purdue-Wisconsin basketball game Monday night costing the lives of two spectators and causing injury to about 250.

Some years ago the Indiana supreme court held that neither the state nor its institutions could be sued but later the legislature enacted a law permitting state institutions to buy liability insurance, provided the insurer would agree not to invoke the state immunity defense.

L. G. Gordner of Indianapolis, a Travelers agent, has specialized in selling personal accident insurance to Purdue students and he went to Lafayette to be of assistance to his clients that were injured. Most of the injuries consisted of fractures.

Difficulty in placing phone calls to Lafayette after the accident made it impossible to check as to the insurance immediately.

INDIANAPOLIS—Apparently there was no liability insurance in the Purdue accident.

Gov. Gates called a special conference with assembly leaders and his legal staff to work out a law forcing charitable institutions to carry liability insurance for sporting events.

The Purdue trustees can vote to assume responsibility for all damages arising from the disaster, but probably won't. The question of the liability of the manufacturer of the benches is being studied.

At this point the report cites the Ralph H. Blanchard survey of private A. & H. insurance that was made for the social security board showing that the overall administrative expenses for all forms of A. & H. insurance were 37%, exclusive of fees, licenses and taxes. In group insurance the figure was 20%.

Calls Benefit Return Low

According to this report, competition for business in the A. & H. field has not eliminated the less efficient units. Many insurers remain in business year after year, even though they pay back to the policyholders only 40 cents out of each premium dollar. Under individual contracts, the report states the return in benefits averages only about 35% and under group insurance it is 66%.

The report states that any system that allows contracting out is bound to be complex, particularly for workers that change employers. The administrative practices would be more cumbersome and the entire operation would be slowed up.

The report goes on to state that in workmen's compensation insurance, administrative expenditures where the state fund is not the exclusive insuring agency were nearly three times those in states with exclusive state funds. This, the report argues, is due mainly to the greater administrative complexities that are inevitable when the state fund has to operate in conjunction with commercial insurers. Also, the report claims that there would be frequent misunderstandings and friction between the state agency and private insurers.

No I.C.C. Permit, No Insurance

Commercial Standard has been relieved of liability by the decision of the U. S. sixth circuit court of appeals under a policy with an Interstate Commerce Commission endorsement when the assured had neither an I.C.C. certificate nor a Tennessee permit to operate his truck.

The assured was Wallace Sims of Chattanooga, a Negro, operating as Sims Transfer Co. Sims, in applying for the insurance, represented that he had I.C.C. and Tennessee permits. In 1942 he was involved in an accident that resulted eventually in the death of a passenger in the other car. Sims had applied for an I.C.C. certificate, but the application had been dismissed. Commercial Standard did not learn that no certificate had been issued to Sims until after the accident.

The court pointed out that under the I.C.C. endorsement, the insurer agrees to insure motor vehicles operating under I.C.C. permit. That is clearly a limitation of liability, the court observed, unless the broad language of the clause providing for absolute liability expunges the limitation.

Protection of Public

The court said that one of the most important purposes of the federal motor carriers act was the protection of the public in the hazards of operation by inexperienced, incompetent and unfit persons, by those engaged in excess of maximum hours, or operating with bad conditioned and dangerous equipment.

An insurer writing public liability insurance to motor carriers is given the assurance by the issuance of an I.C.C. certificate that the carrier has met the minimum requirements of the commis-

Household Help Liability Law Sells Coverage

NEW YORK—Employers of full time domestic help are continuing in great numbers to insure their employees under the New York compensation law, which has been amended to cover domestics. The law makes all employers who hire servants for 48 hours a week in cities of more than 40,000 population liable for all injuries incurred on the job.

Although it became effective Jan. 1, many employers are only now returning from Florida and being advised by their brokers or agents that such insurance is necessary to protect them from possible large damages. One company reports 300 to 400 applications for this type of coverage for January, and the rate seems to be holding steady. Business in this line before the law became effective usually ran about two applications a month.

Experience in the past has shown coverage on domestics to be modestly profitable. Some insurers believe that under the new law there will be a greater spread of risks, and less adverse selection. Consequently, the line should become more profitable.

Rates start at an annual minimum of \$28.74 for servants employed inside and \$34.58 for outside servants such as chauffeurs and gardeners. Benefits are paid for on the job injuries or occupational disease disablements and range as high as ⅔ of weekly earnings.

Western Group Premium Gain 58%

Western Casualty & Surety and Western Fire wrote net premiums of \$9,459,579 during 1946, a gain of 58%. The claims and premium reserves increased \$1,732,351 and the consolidated surplus declined \$72,339.

There was an underwriting loss on automobile business, which accounted for 53% of the total writing, but all other lines were profitable with a net consolidated underwriting gain of \$239,630, including the gain in the equity in premium reserve. Net income from investments was \$259,961 with a net loss from adjustments to surplus, including the decline in market value of securities, of \$180,576, leaving a net gain to stockholders of \$319,016. This is equivalent to \$7.91 per share on the class A stock of Western Insurance Securities Company, after provision for dividends on the preferred stock.

Western C. & S. had assets of \$9,725,031 and surplus to policyholders \$2,133,517. The fire company had assets of \$2,826,741 and surplus to policyholders \$925,460.

sion and will remain thereafter subject to the regulations and orders of the commission.

Also a major purpose of the act is to keep unqualified operators and bad conditioned equipment from the highways. This is the overriding public interest that should govern the present decision, the court said. There should be no judicial condonation for evasion or defiance of law.

The court said it is mindful of the public interest in an insurance contract which assures the public protection from negligent operation and provides compensation for injuries resulting therefrom. However, when two considerations, both in the public interest, collide and may not be reconciled, the larger and more fundamental public interest must govern.

The case was Commercial Standard vs. Robertson, admx. Attorneys for Commercial Standard were Joe Roberts, John Cate, Frazier & Roberts, Chattanooga; representing Robertson was Harry Berke, Berke & Fleming of Chattanooga.

W. M. Elect

United States W. M. Mr. Da Fire group the orga Indemnity writing, sistant se He sta ness, late the auto years. H manager ing before

R. D. Now

Richard manager western has been Globe, an Mr. B Indemnity year, Globe-R assigned there. F cessively and assi He wa to open to New duction post he duction i was assi relinquis

Wan of 30

From "Havi early '30 nies we your edi Dodging To date ing the "The ies of th compani factors t most ag structive

Recalls "For sold bu Lloyds ing bre business write do dent th and Un quate re decade."

Over-Wron Are F

The i complet made cing pol Roach a lunch writers produce & Co. An in quate o hazards cause t hit or i a unifia ance is ditions. insuran unisur insuran

W. M. Davison Is Elected Secretary

United National Indemnity has elected W. M. Davison secretary.

Mr. Davison has been with National Fire group since 1944 and assisted in the organization of United National Indemnity as superintendent of underwriting. In 1945, he was elected assistant secretary.

He started in the local agency business, later joining Standard Accident in the automobile department for five years. He joined Glens Falls group as manager of the automobile underwriting before going to National Fire.

R. D. Brumbaugh Now Secretary

Richard D. Brumbaugh, production manager at the New York office of the western and Pacific coast department, has been elected secretary of Eagle, Globe, and Royal.

Mr. Brumbaugh in 1931 joined Globe Indemnity at Los Angeles. The following year, when the operations of Eagle-Globe-Royal were consolidated, he was assigned to the engineering department there. From 1933 to 1940 he was successively safety engineer, special agent, and assistant manager at that office.

He was sent to Grand Rapids in 1942 to open a branch. In 1943 he was called to New York and made assistant production manager of Eagle, from which post he was advanced in 1945 to production manager of Eagle and last July was assigned to the post which he now relinquishes.

Wants Lessons of '30s Recalled

From a local agent in Oklahoma: "Having established my agency in the early '30s when many casualty companies were failing, I read with interest your editorial in the Feb. 6 issue titled *Dodging the Insurance Purple Heart*. To date I have been successful in dodging the insurance purple heart.

"The thought occurs to me that a series of thumbnail sketches of the leading companies that failed, pointing out the factors that should have been obvious to most agents, would be interesting, instructive and well received.

Recalls Several Busts

"For example, as I recall, all of them sold business at cut rates; Chicago Lloyds put on a campaign in its last dying breath for an unprofitable class of business; Federal Surety continued to write depository bonds after it was evident they could not be safely written; and Union Indemnity had put up inadequate reserves for losses for at least a decade."

Over- and Under-Insurance, Wrong Rates, Gaps, Penalties Are Remedied by Audits

The importance of selling the idea of complete protection by providing tailor-made coverages rather than merely selling policies was emphasized by John Roach of Aetna Casualty, in addressing a luncheon meeting of Casualty Underwriters Assn. of Chicago. He was introduced by R. M. Babbitt, Jr., Joyce & Co., president.

An insurance program may be inadequate or too costly because the assured's hazards are not properly evaluated, because the cover has been purchased in hit or miss fashion and not as a part of a unified program, or because the insurance is not altered to meet changing conditions. From these faults spring underinsurance, overinsurance, incorrect rates, uninsured items, unnecessary debits, co-insurance penalties, overlapping cover-

age, coverage gaps and inadvisable forms.

Mr. Roach said a perfunctory survey does not bring these conditions to light, nor does it provide a detailed plan for the construction of a sound plan of protection.

He referred to a thorough risk analysis that revealed a manufacturer was paying \$5,000 for insurance through three brokers. Woeful inadequacies were disclosed and under the new program the number of policies was reduced from 74 to 18 and a premium saving of 6½% was accomplished.

Mr. Roach attracted much interest in

pointing out that in a partnership the liability of one partner for his torts, personally committed, can be passed on to the innocent partner.

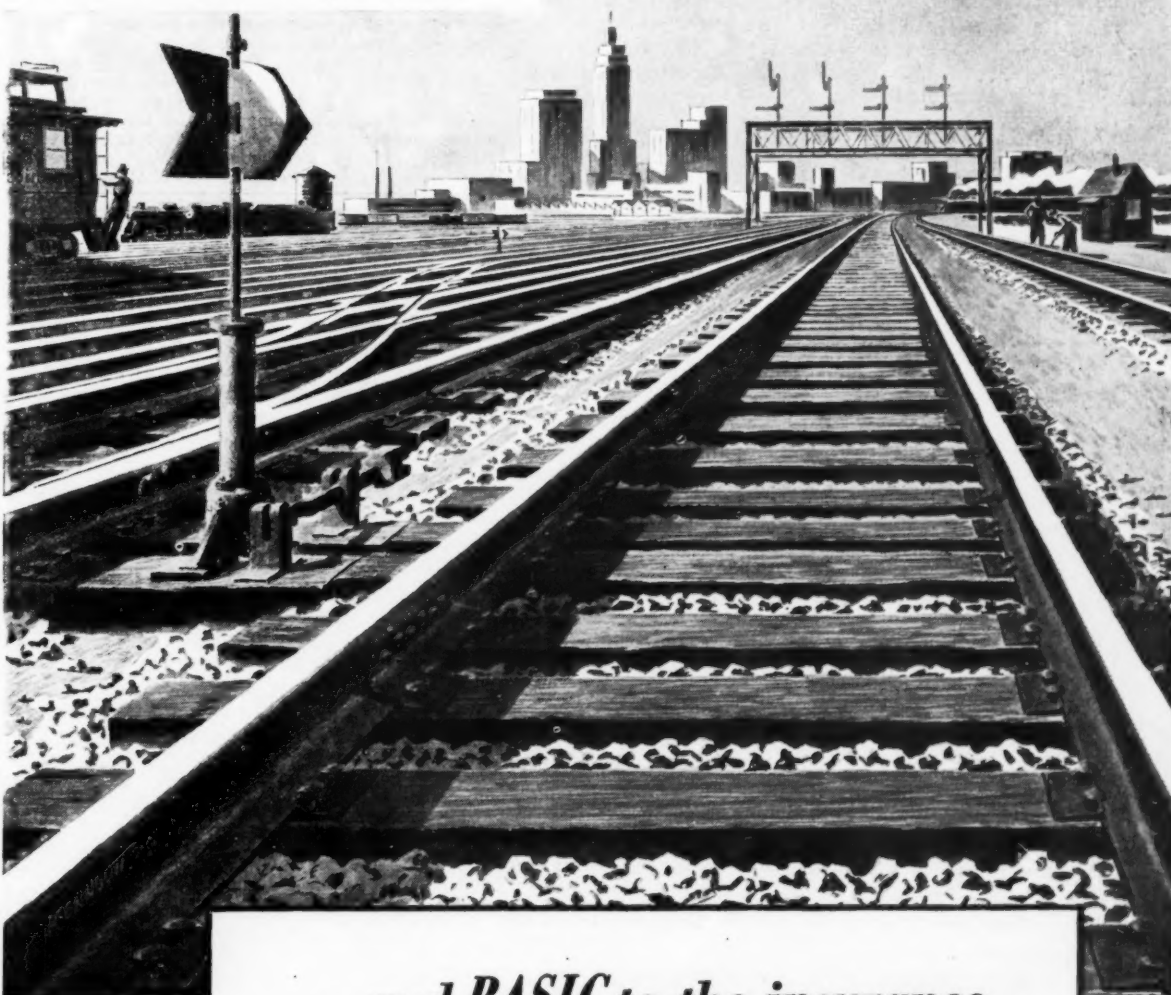
For instance a person suffering personal injury at the home of one partner, could force liquidation of the partnership in order to satisfy a judgment against the tort-feasor. This would make it necessary for the innocent partner to satisfy judgment or agree to liquidation.

The members will visit Underwriters Laboratories prior to the March dinner. Mr. Babbitt appointed the executive committee as a nominating committee.

Henshaw V.P. of Hartford S.B.

HARTFORD—Directors of Hartford Steam Boiler have elected Wallace H. Henshaw a vice-president. He joined the company in 1936, after 13 years of experience in boiler and machinery underwriting. He was with the agency department in various capacities until in 1944 he became underwriting secretary. In 1946 he was elected an assistant vice-president and assumed charge of all underwriting matters.

Basic...



...and *BASIC* to the insurance industry is Reinsurance



GENERAL REINSURANCE GROUP

Largest American multiple line market
dealing exclusively in Reinsurance

GENERAL REINSURANCE
CORPORATION
Casualty • Fidelity
Surety

NORTH STAR REINSURANCE
CORPORATION
Fire • Inland Marine
Ocean Marine

90 JOHN ST., NEW YORK 7

130 BUSH ST., SAN FRANCISCO 4

CHANGES IN CASUALTY FIELD

Durham to Head Atlanta Office of Maryland Casualty

H. M. Durham, for the last six years resident manager at Charlotte, N. C., for Maryland Casualty, has been appointed resident vice-president at Atlanta. John D. Leak, former manager of the bond department at Charlotte, has been appointed manager there. Both appointments are effective April 1, when Ed. L. Castleton, now resident vice-president in Atlanta, will move to the home office as executive vice-president.

Certain clerical and administrative functions of the two offices will be combined in Atlanta with Mr. Durham having general supervision over both offices.

John Klinger Is Promoted

John Klinger, formerly, assistant secretary, has been elected vice-president of West American of Los Angeles, which is owned by Ohio Casualty.

F. & D. Promotes Schisler, Gorton to Vice-presidents

J. Harry Schisler and Dan E. Gorton have been elected vice-presidents of Fidelity & Deposit and Oliver W. Littleton and Francis X. Linsenmeyer are now assistant secretaries. Gary Black has been elected to the board. Mr. Black is a son of the late Van Lear Black, former F. & D. chairman, and a grandson of H. Crawford Black, one of the company founders. Since discharge from the army in 1945 after five years service, Mr. Black has been a business partner with his uncle, Harry C. Black, chairman of Baltimore's "Sun" newspapers.

With Company Since 1910

Mr. Schisler has been with the company since 1910, when he joined the legal department as a clerk. He is a graduate of the University of Maryland law school and has been with the

claim department since 1914, for many years as attorney and more recently as manager.

Mr. Gorton is manager of the Los Angeles office and succeeds the late William M. Walker who for many years was vice-president there.

Mr. Littleton has been in the F. & D. home office since 1914 and is manager of the salvage department. He is a graduate of the University of Maryland law school. A graduate of the University of Baltimore law school, Mr. Linsenmeyer is manager of the judicial department at New York and has been with F. & D. since 1934.

Texas Officials Named

George Hofmeister, who has been elected vice-president of Houston Fire & Casualty and General of Ft. Worth, will be in charge of all casualty operations, for both companies.

Mr. Hofmeister has been with C. W. Murchison & Co. of Dallas, and before that was underwriting vice-president of Continental Casualty. Mr. Hofmeister succeeds G. T. Crisp, who has resigned.

J. E. Chenault was elected treasurer of both companies in addition to his position as vice-president and secretary. C. W. Ferguson and W. A. Daily were elected secretaries of both companies

and Arthur S. Boyd, Jr., was elected comptroller.

Henry H. Cate, president of Flour Mills of America, Kansas City, was elected a director of Houston F. & C., replacing P. A. Norris, Jr.

Shaw to N. E. Agency Post for United Nat'l

John L. Shaw, Jr., has been named agency supervisor in charge of agency development in New England and upper New York state for United National Indemnity.

Mr. Shaw was appointed special agent for Connecticut and Rhode Island in 1945 for United National Indemnity after several years with American Surety. He is a graduate of Trinity College.

Means Claim Manager of Auto Owners in Chicago

Alan E. Means has been appointed claim manager in the Chicago branch of Auto Owners Mutual. He previously for nine years was in claim work with Lumbermen's Mutual Casualty at Lansing, Mich., covering most of the Lower Peninsula. Mr. Means is establishing a fully equipped claims office in the branch under the direction of Bert F. Brown, state agent.

He started in the business with Lumbermen's at Chicago as office boy, went into claim work at the head office and then for five years did claim work for the company throughout Chicago. He was in the army air corps for two years, most of the time in intelligence work.

O'Donnell Underwriter of Republic Ind. in Chicago

Philip E. O'Donnell has been appointed casualty underwriter in the Chicago branch office of Republic Indemnity by Manager E. H. Rieke. Mr. O'Donnell also will handle the office details.

From 1942 for more than two years he was in the army, serving in combat with the infantry in the European theater and becoming a captain. Following discharge he returned to Chicago and has been connected with Accident & Casualty there as a special agent traveling in Illinois. Before the war for six years he was a casualty underwriter for the Chicago branch of Massachusetts Bonding.

Stille Manages No. Cal.

Robert B. Stille has been appointed acting manager of the northern California office of Pacific Employers in San Francisco until a successor to the late William H. Woods is selected. Mr. Stille has had charge of production.

Stuberg Goes to Home Office

A. O. Stuberg, manager of the Seattle office of Massachusetts Bonding, has been transferred to the bonding department in the home office. Raymond C. Holt, Jr., production manager at Los Angeles for Massachusetts Bonding, has succeeded Mr. Stuberg at Seattle. Up to Dec. 1, Mr. Holt was manager at Los Angeles for Eagle Indemnity.

SURETY

Keesling New President of No. Cal. Surety Group

George H. Keesling of the California Agencies, has been elected president of the Surety Underwriters Assn. of Northern California; Carroll R. Young, Fidelity & Casualty, vice-president, and A. L. Blackburn, Hartford Accident, secretary-treasurer.

The executive committee consists of Fidelity & Casualty, U. S. F. & G., Fireman's Fund Indemnity, Maryland

NATIONAL SURETY CORPORATION

VINCENT CULLEN, *President*

FINANCIAL STATEMENT

December 31st, 1946

ASSETS

Cash in Banks	\$ 3,053,722.76
Investments:	
Bonds of United States Government	\$14,874,610.43
State Bonds	149,336.39
Preferred Stocks	6,446,535.00
Common Stocks	10,142,784.00
Capital stock of National Surety Marine Insurance Corporation, a wholly owned subsidiary	1,728,462.27
Premiums in Course of Collection, Not over 90 Days Due	1,583,075.01
Accrued Interest	59,227.08
Reinsurance and Other Accounts Receivable	49,912.98
Home Office Building	500,000.00
TOTAL ADMITTED ASSETS	\$38,587,665.92

LIABILITIES, CAPITAL AND SURPLUS

Reserve for Losses and Loss Adjustment Expenses	\$ 5,011,135.82
Reserve for Unearned Premiums	9,554,121.94
Reserve for Commissions, Expenses and Taxes	1,931,692.32
Capital Stock	\$ 2,500,000.00
Voluntary Reserve for Fluctuations in Security Prices	1,379,502.84
Surplus	18,211,213.00
Surplus to Policyholders	22,090,715.84
TOTAL	\$38,587,665.92

Investments are carried on the basis prescribed by the New York Insurance Department—bonds being carried at amortized or investment values and stocks at values based on rates promulgated by the National Association of Insurance Commissioners. If investments were carried at the December 31st, 1946 market quotations, total assets, voluntary reserve for fluctuations in security prices and surplus to policyholders would be increased by \$730,035.82. Bonds carried at \$1,155,500.00 are deposited as required by law.

Casualty, American posit.

Big Co

LOS A ruptcy a nent con contracts and there bond to the feder itors co which in were on been ap and assu The cou creditors of fact a bankru The co ago, with mary su report th million down to

Foll A. &

NEW Jr., man Accident elected on acci nations T. Hen and Fra Casualty and sec The b departm ducting rather t tomary examina 13, July 13.

In its for exa a subco the pres omme by the perinten Those Mr. Fo & Acci Francis ualty; h Life; An ualty; Roth-Ca Payne, Lydon, Tumble Sidney Casualty necticut son, Tr Super sented i Typerm

One V Anoth

SEAT ness an was she mittee o two day tossed i The c cessful i and dis which p ployment ter bill the hou The r the emp providin deductio had pro 1/2% on

February 27, 1947

Casualty, Glens Falls Indemnity, Great American Indemnity and Fidelity & Deposit.

Big Contractor Bankrupt

LOS ANGELES—An order in bankruptcy against Shanahan Bros., prominent contractors who failed to carry out contracts with the federal government and thereby forced the sureties on their bond to take over, has been granted by the federal court, on petition of a creditors committee, the membership of which includes the surety companies that were on the bond. Paul Semple has been appointed trustee in bankruptcy and assumed charge of all the properties. The court has ordered counsel for the creditors committee to prepare findings of fact and an order adjudging the firm a bankrupt.

The company failed about 18 months ago, with Maryland Casualty as the primary surety on the bond. At the first report the story was that more than \$1 million was involved, but this was cut down to less than \$200,000.

ACCIDENT

Follmann Heads NY A. & H. Advisory Bd.

NEW YORK—Joseph F. Follmann, Jr., manager of the Bureau of Personal Accident & Health Underwriters, was elected chairman of the advisory board on accident and health agency examinations at its first meeting here. John T. Henderson, general agent Travelers, and Francis T. Curran, Metropolitan Casualty, were elected vice-chairman and secretary respectively.

The board moved that the New York department consider in the future conducting 12 examinations each year rather than eight, which has been customary in the past. The dates for those examinations in 1947 are April 8, May 13, July 8, Aug. 12, Oct. 14 and Nov. 13.

In its consideration of the syllabus for examinations, the board moved that a subcommittee be appointed to review the present syllabus and to present recommended changes to be considered by the board and presented to the superintendent of insurance.

Those present at the meeting were Mr. Follmann, H. R. Gordon, Health & Accident Underwriters Conference; Francis T. Curran, Metropolitan Casualty; Earl R. Trangmar, Metropolitan Life; Arthur B. McGuire, National Casualty; John C. Greeno, Armstrong-Roth-Cady Co., Buffalo; A. Stewart Payne, Security Mutual Life; John F. Lydon, Ocean Accident; Peter E. Tumblety, Empire State Mutual Life; Sidney L. Eisenberg, Federal Life & Casualty; Harold J. Shackleton, Connecticut General Life; John T. Henderson, Travelers.

Superintendent Dineen was represented by Deputy Superintendent Carl Typermass.

One Wash. Fund Bill Killed; Another Appears in House

SEATTLE—The proposed state sickness and disability insurance measure was shelved by the social security committee of the Washington senate, but two days later a similar measure was tossed into the house hopper.

The A.F.L. labor lobby was unsuccessful in its attempt to tie the sickness and disability measure on to a bill, which permits merit rating of unemployment compensation risks. The latter bill passed the senate and was in the house social security committee.

The new measure eliminates entirely the employer's contribution to the fund, providing for a mandatory 1% payroll deduction of employees. The senate bill had provided for 1% tax on workers and ½% on employers, although the em-

ployer would have been permitted to absorb the entire tax.

A. & H. Programming Urged

LOS ANGELES—Frank L. Storment, New England Mutual Life, spoke before the Accident & Health Producers Assn. of Southern California on "Programming Accident and Sickness Insurance for Greater Production." He said maintenance of income is the main feature of living and that in talking to a prospect the program should be based on that idea. Any one can lose his earning power at any time, and this

should be made a part of the sales program. He declared accident and health salesmen can do for their clients a better job of programming in life insurance and that the life insurance program should be restricted to provide an adequate accident and health program.

Breidenbaugh at Dayton

O. J. Breidenbaugh, executive secretary National Assn. of Accident & Health Underwriters, spoke at a luncheon of the Dayton Accident & Health Assn. on the need of a sales track, featuring the "know how," and the motivation

or drive to use the "know how." About 50 members and guests attended. The next meeting of the Dayton association will be held March 21.

Illinois Blue Cross Merger

Hospital Service Corporation, Chicago Blue Cross plan, has taken over Central Illinois Hospital Service of Peoria which as of Dec. 31, 1945, had assets of \$203,471 and liabilities of \$126,660 and surplus of \$76,810. Soon the Chicago organization expects to take over Associated Hospitals at Danville and eventually will embrace Group Hospital Service of

If Disaster Strikes—



REINSURANCE LESSENS THE SHOCK

It is the extra protection of well planned reinsurance that sees heavy industry through catastrophic losses. Continuous production is only possible when losses are replaced promptly.

In the broad lines of coverage offered by the Excess there is a contract that will fully meet the most exacting requirements.

For dependable reinsurance underwriting, backed by specialized experience, call the Excess.

Casualty, Fidelity & Surety Reinsurance

EXCESS

INSURANCE COMPANY OF AMERICA
NINETY-NINE JOHN ST., NEW YORK 7, NEW YORK

Baldwin Locomotive Photograph

Illinois at Alton; Decatur Hospital Service; and Northern Illinois Hospital Service, Rockford, bringing all Hospital Service Plan Commission affiliates in the state under central control.

Polio Cover for Campers

Continental Casualty is extending the coverage provided by its special summer camp policy to include polio. It now provides \$250 accident and \$100 sickness medical reimbursement for campers, with \$1,000 extra benefits for polio.

Haight to Speak in Newark

At the luncheon meeting of the Accident & Health Underwriters Assn. of Newark March 11, Charles J. Haight, superintendent of accident and health claim division of Metropolitan Life, will talk on claim matters.

Callaghan to Sioux Falls

Ed Callaghan has been appointed manager at Sioux Falls, S. D., for North American Life & Casualty.

The San Francisco Women's League heard a talk on police work by Police-woman Kathryn Sullivan. The league will hold a tea March 1 honoring its past presidents.

NEWS OF THE CASUALTY COMPANIES

Give Bronx Cheer to '46; Hope for Blessings in '47

The reports of the American-Associated companies give the Bronx cheer to 1946 and welcome 1947 as containing factors that give promise of overcoming the unfavorable results in the automobile line. Premium income of the four companies last year totaled \$46,020,399, which was an increase of 32.6%. Automobile lines increased 29.7% due almost entirely to rate increases and lines other than automobile increased 38.2%.

Surplus Changes Explained

American Auto and Associated Indemnity and Associated F. & M. show reduced surplus, due partly to the drain upon surplus from increased premiums, but American Auto was further penalized because of a reinsurance arrangement under which it took over a volume of low rated collision business from

American Auto Fire. As a result the latter company reports a substantial surplus increase.

President Lee Schleyer observed that the premiums in force at the beginning of 1946 for automobile third party and collision lines had been written at rates that were geared to gasoline rationing and to the nation-wide wartime speed limit. They had to be run off under wide-open traffic conditions. The full effect of the rate increases that were introduced last year could not be reflected in the 1946 results. He went on to say that there is reason to believe that the worst has been seen, and that the companies may fare much better in 1947.

Balance Sheet Items

Assets of American Auto stand at \$46,942,140, premium reserve \$13,726,343, loss reserve \$15,526,837, capital \$2 million and net surplus \$13,579,458.

American Auto Fire had assets \$7,433,572, premium reserve \$4,106,681, capital \$600,000 and net surplus \$1,665,375.

Assets of Associated Indemnity were \$15,920,307, premium reserve \$1,798,638,

loss reserve \$1,791,416, capital \$1 million and net surplus \$4,306,630.

Associated F. & M. had assets \$1,847,707, capital \$600,000 and net surplus \$366,054.

Premiums written of American Automobile were \$31,645,601, premiums earned \$27,876,590, losses incurred including adjusting expenses \$19,325,658, loss ratio earned-incurred 69.3, combined loss and expense ratio 107.8, underwriting loss \$3,745,132.

Premiums of American Auto Fire were \$4,504,960, premiums earned \$4,212,552, losses incurred \$2,353,252, loss ratio 55.9, combined ratio 99.7, underwriting loss \$124,574.

Associated Indemnity had premiums written \$9,228,239, premiums earned \$8,614,325, losses incurred \$4,869,793, loss ratio 56.5, combined ratio 86.5 and underwriting profit \$928,776.

The loss ratio of all four companies combined was 65.1, combined ratio 102.9 and underwriting loss \$3,200,300.

Ohio Casualty Premiums Up 44%

Ohio Casualty in its new statement shows assets of \$17,433,525, an increase of \$2,113,256.

Net premiums written reached an all-time high of \$13,129,000, an increase of \$4,123,000 or 44%. Premium reserve was \$6,749,000, increase \$2,113,000.

There was no change in the surplus to policyholders, which remains at \$4,800,000. The voluntary reserve amounts to \$1,484,525, a decrease of \$203,000.

Ariz. Insurer to Sell Stock

LOS ANGELES—Republic Indemnity of Tucson, Ariz., has applied to the California Department for a permit to sell in California 6,666 2/3 shares of common stock of \$10 par value at \$30 a share, to net the company \$200,000, and to sell 30,000 shares of preferred stock of \$2 par value at \$10 a share to net the company \$300,000. It is admitted to California to write automobile insurance. In its home state it writes automobile, workmen's compensation and liability insurance.

American Indemnity, Tex. — Assets, \$5,512,222, dec. \$504,862; unearned prem., \$1,612,723; loss res., \$973,732; capital, \$1,000,000; surplus, \$1,000,000, dec., \$866,473. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 801,922	\$ 429,276
Other liability	177,966	35,954
Fidelity	13,440	—723
Surety	32,993	—2,674
Glass	79,605	26,566
Burglary & theft...	142,162	52,273
Dwelling fire	246,301	90,279
Auto prop. damage.	387,760	302,648
Auto collision	324,628	320,560
Other P.D. & coll.	15,716	2,442
Auto fire & theft...	192,409	113,447
Tornado	107,243	149,171
Total	\$2,522,153	\$1,519,223

Amer. Farmers Mutual Auto, Minn. — Assets, \$1,194,963, inc., \$242,174; unearned prem., \$367,487; loss res., \$529,942; surplus, \$220,898, inc., \$4,698. Experience:

	A. & H.	Group A. & H.
Auto liability	\$ 26,743	\$ 7,659
Other liability	25,801	11,269
Auto liability	477,202	187,256
Other liability	18,013	6,788
Workmen's comp. ..	66,345	21,964
Auto prop. damage ..	206,169	89,087
Auto collision	240,225	124,897
Other P.D.	6,843	1,518
Other auto	97,141	34,363
Total	\$1,164,482	\$ 484,801

Benefit Assn. Ry. Empl. — Assets, \$4,928,753, inc., \$747,167; unearned prem., \$552,840; loss res., \$1,485,134; surplus, \$2,371,349, inc., \$547,908. Experience:

	A. & H.	Group A. & H.
Auto liability	\$5,159,547	\$3,137,092
Group A. & H.	3,680,213	2,365,476
Total	\$8,839,760	\$5,502,569

Business Men's Assurance — Assets, \$56,217,325, inc., \$6,794,602; unearned prem., \$1,346,128; loss res., \$2,996,861; capital, \$2,000,000; surplus, \$2,305,431, inc., \$276,072. Experience:

Accident	\$1,301,252	\$ 480,674
Health	2,611,280	1,267,351



The acid test of PROTECTION

CLIENT GOOD WILL is hard to win—easy to lose. Realizing this truth, Standard of Detroit has, since 1881, stressed prompt, equitable loss adjustments and earned the good will of agents and assureds alike. Today, Standard's long record for fair dealing is ably maintained by an alert claim organization throughout the United States and Canada—continued assurance of prompt, satisfactory attention on all just claims whenever or wherever they may be presented. For an extra measure of service on all phases of company and agent cooperation—production, underwriting, safety engineering or claims—you can't beat Standard of Detroit.

Standard of Detroit Group

STANDARD ACCIDENT INSURANCE COMPANY, DETROIT

PLANET INSURANCE COMPANY, DETROIT

PILOT INSURANCE COMPANY, TORONTO

FIRE • AUTO • MARINE • CASUALTY • FIDELITY • SURETY • AVIATION

	Net Prems.	Losses Pd.
Group A. & H.....	3,100,385	1,892,630
Non-can. A. & H....	76,133	40,639
Total	\$7,089,052	\$3,681,295

Citizens Mutual Auto—Assets, \$2,685,286, inc., \$472,495; unearned prem., \$1,262,755; loss res., \$779,404; surplus, \$456,117, dec., \$48,805. Experience:	
Auto liability	\$ 700,250 \$ 171,336
Other liability	5,009
Auto prop. damage...	437,238 172,911
Auto collision	836,937 425,249
Other P.D. & coll...	2,499
Other auto	410,784 140,179
Total	\$2,392,720 \$ 909,676

Combined Cas., In.—Assets, \$168,187, inc. \$54,227; unearned prem., \$97,944; loss res., \$22,045; surplus, \$30,674; inc., \$7,530. Experience:	
Accident	\$ 169,333 \$ 53,690
Health	86,894 20,434
A. & H.	4,058 1,830
Hospital	29,180 10,135
Total	\$ 289,465 \$ 86,089

Continental Fire & Cas.—Assets, \$1,332,061, inc. \$540,004; unearned prem., \$503,333; loss res., \$299,806; capital, \$300,000; surplus, \$154,062, dec., \$37,349. Experience:	
Auto liability	\$ 178,126 \$ 10,539
Other liability	39,450 6,638
Workmen's comp. ..	291,875 190,140
Glass	6,206 572
Burglary & theft...	52,462 5,546
Fire & ext. cov.	160,831 21,449
Auto prop. damage...	67,224 23,163
Auto collision	273,683 95,553
Other auto	140,972 36,879
Inland Marine	47,799 6,373
Total	\$1,228,634 \$ 396,851

Country Mutual Cas.—Assets, \$5,240,233, inc. \$902,085; unearned prem., \$1,559,664; loss res., \$2,179,628; surplus, \$1,094,924, inc., \$192,868. Experience:	
Med. (not auto) ...	\$ 4,570 \$ 475
Auto liability	1,202,756 377,551
Empl. liability	238,632 63,109
Comp. liability	4,937 27
Surety	3,004
Livestock	3,788 1,579
Auto prop. damage...	675,578 328,088
Auto collision	2,146,214 1,362,819
Other auto	353,891 113,062
Cargo	28,323 3,982
Total	\$4,691,694 \$2,250,692

Craftsman—Assets, \$531,513, inc., \$94,196; unearned prem., \$100,905; loss res., \$98,364; capital, \$100,000; surplus, \$114,486, inc., \$7,905. Experience:	
A. & H.	\$ 917,164 \$ 328,574
Non-can. A. & H....	46,281 35,902
Total	\$ 963,444 \$ 364,476

Employers Cas.—Assets, \$7,729,013, inc. \$595,384; unearned prem., \$2,803,307; loss res., \$2,088,182; capital, \$500,000; surplus, \$1,725,721 (includes contingency fund); inc. \$65,766. Experience:	
Hospitalization	\$ 556,376 \$ 230,006
Auto liability	1,369,078 511,129
Other liability	661,009 133,933
Workmen's comp.	718,997 356,592
Bonds	9,374
Glass	34,737 14,037
Burglary & theft...	57,050 22,415
Tornado	567 11,323
Fire	187,527 26,776
Auto prop. damage...	659,361 402,849
Auto collision	739,975 496,364
Other P.D. & coll...	138,133 30,597
Other auto	111,889 49,442
Other	561,909 339,218
Total	\$5,805,981 \$2,624,749

Eagle Indemnity—Assets, \$14,343,711, dec. \$530,586; unearned prem., \$2,051,276; loss res., \$6,563,739; capital, \$1,000,000; surplus, \$3,701,252 (includes contingency reserve); dec. \$2,238,200. Experience:	
Accident	\$ 112,979 \$ 71,474
Health	45,681 15,432
Group A. & H.	10,978 4,009
Auto liability	2,012,946 1,212,793
Other liability	676,641 370,146
Workmen's com.	1,885,544 1,088,073
Fidelity	118,918 45,598
Surety	119,590 —9,685
Glass	104,569 82,061
Burglary & theft...	463,940 347,847
Boiler & Machinery	59,876 61,645
Auto prop. damage...	765,224 679,328
Auto collision	24,446 18,552
Other P.D. & coll...	75,491 25,019
Total	\$6,476,829 \$4,012,299

Electric Mutual Liab.—Assets, \$2,225,497, inc. \$242,174; unearned prem., \$66,367; loss res., \$757,245; surplus, \$1,354,289, inc. \$148,492. Experience:	
Auto liability	\$ 69,463 \$ 25,416
Other liability	67,800 12,037

	Net Prems.	Losses Pd.
Workmen's comp. . .	661,979	278,273
Auto prop. damage. .	30,234	10,501
Other P.D. & coll. .	30,229	998
	<hr/>	<hr/>

Equity Mutual—Assets, \$1,212,220, inc. \$252,277; unearned prem., \$252,277; loss res., \$455,236; surplus, \$301,008, dec., \$917. Experience:	
Auto liability	\$ 351,061 92,919
Other liability	64,901 20,917
Workmen's comp. ...	301,101 113,959
Surety	40,468 —4,049
Glass	4,223 1,497
Burglary & theft...	2,186 451
Auto prop. damage...	194,119 78,917
Auto collision	98,100 43,911

	Net Prems.	Losses Pd.
Other P.D. & coll...	11,741	364
Total	\$1,037,900	\$ 348,886

Farmers Auto Inter-Ins. Exchange—Assets, \$14,897,699, inc., \$2,176,258; unearned prem., \$4,414,421; loss res., \$5,466,271; surplus, \$4,181,329, inc., \$1,140,902. Experience:	
Accident	\$ 44,599 \$ 16,291
Auto liability	5,462,673 2,461,927
Other liability	43,747 3,937
Auto prop. damage...	2,152,612 1,351,053
Auto collision	7,118,397 4,037,280
Other P.D. & coll...	4,152 940
Other auto	2,021,902 786,633
Total	\$16,848,082 \$8,658,061

Farmers Cas., Iowa—Assets, \$541,602, inc., \$96,518; unearned prem., \$259,371; loss res., \$131,970; surplus, \$108,293, dec., \$18,872. Experience:	
Auto liability	\$ 134,541 \$ 31,452
Dwg. tornado	11,204 932
Auto cargo	18,464 2,920
Auto prop. damage...	90,805 43,213
Auto collision	134,178 63,845
Other auto	73,804 23,497
Dwg. fire	24,443 7,872
Total	\$ 487,439 \$ 173,713

Federal Life & Cas.—Assets, \$3,458,423, inc., \$432,020; unearned prem., \$474,228; loss res., \$228,048; capital, \$450,000; surplus, \$782,928, inc., \$49,200. Experience:	
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

Fire
Tornado
Inland Marine
Aircraft—Full Coverage



Casualty
Automobile
Accident and Health
Fidelity and Surety Bonds

The Western Casualty and Surety Company The Western Fire Insurance Company

STATEMENT OF CONDITION AS OF DECEMBER 31, 1946

ADMITTED ASSETS

	The Western Casualty and Surety Company	The Western Fire Insurance Company
CASH (in office and Banks).....	\$1,308,714.85	\$ 317,313.93
United States Government Bonds.....	1,291,990.20	958,996.87
State, County and Municipal Bonds.....	4,356,362.18	544,749.32
Total Cash and Bonds	\$6,957,067.23	\$1,821,060.12
Preferred and Common Stocks.....	224,085.00	613,424.00
Stock of The Western Fire Insurance Company.....	912,092.98	—
Real Estate (Home Office).....	—	106,569.93
Mortgage Loans on Real Estate.....	—	4,000.00
Premiums in Course of Collection.....	1,501,713.15	251,995.65
Accrued Interest on Bonds.....	54,184.99	12,011.62
Other Admitted Assets.....	75,887.91	17,679.68
Total Admitted Assets	\$9,725,031.26	\$2,826,741.00

RESERVES AND SURPLUS

Reserve for Claims	\$3,801,671.82	\$ 163,049.29
Reserve for Unearned Premiums	3,165,872.60	1,634,420.90
Reserve for Commissions, Taxes and Expenses.....	623,968.85	103,810.00
Total Reserves	\$7,591,513.27	\$1,901,280.19
Capital	\$1,000,000.00	\$ 550,000.00
Surplus	1,133,517.99	375,460.81
Surplus as regards Policyholders	\$2,133,517.99	\$ 925,460.81
TOTAL	\$9,725,031.26	\$2,826,741.00
Premiums Written Since Organization	\$73,595,458.71	
Losses Paid Since Organization	\$31,726,260.86	

E. C. Gordon, Secretary



Ray B. Duboc, President

HOME OFFICE, FORT SCOTT, KANSAS
EXECUTIVE OFFICES, 916 WALNUT STREET, KANSAS CITY 6, MISSOURI
BRANCH OFFICES, ST. LOUIS, CHICAGO

Net Prens. Losses Pd.	
Accident	\$2,518,907 \$ 644,758
Freeport Motor Cas. —Assets, \$2,784,859, inc., \$283,589; unearned prem., \$710,138; loss res., \$626,389; capital, \$300,000; surplus, \$732,269, inc., \$11,536. Experience:	
Auto liability	\$ 592,723 \$ 175,161
Other liability	21,859 1,715
Auto prop. damage	308,687 132,320
Auto collision	372,268 204,259
Other P.D. & coll.	2,658 389
Other auto	200,746 68,121

Total\$1,498,941 \$ 581,964

Globe Indemnity —Assets, \$59,851,358, inc., \$4,071,279; unearned prem., \$12,307,658; loss res., \$21,272,363; capital, \$2,500,000; surplus, \$20,595,310, (includes contingency reserve), dec., \$1,994,232. Experience:	
Accident	\$ 616,671 \$ 212,249
Health	185,097 63,928
Group A. & H.	209,617 105,789
Auto liability	7,964,956 3,527,404
Other liability	3,304,706 890,145
Workmen's comp.	7,031,700 3,508,093
Fidelity	646,232 140,932
Surety	536,293 27,211
Glass	407,839 164,646
Boiler & Mach.	592,737 124,434
Burglary & theft....	1,827,748 621,257
Auto prop. damage....	2,814,485 1,804,501
Auto collision	94,214 48,233
Other P.D. & coll.	399,181 97,330

Total\$26,631,483 \$11,336,157

Golden State Mutual Life —Assets, \$395,564, inc., \$45,117; unearned prem.,	
-------------------------------------------------------------------------------------	--

\$40,447; loss res., \$30,460; surplus, \$285,715, inc., \$20,514. Experience:	
Net Prens. Losses Pd.	
A. & H.	\$ 797,058 \$ 201,886

Great Central Mutual —Assets, \$678,623, inc., \$267,977; unearned prem., \$159,613; loss res., \$81,672; guaranty fund, \$25,000; surplus, \$335,607, inc., \$170,002. Experience:	
Burglary & theft....	\$1,227,688 \$ 290,839

Greater N. Y. Taxpayers Mutual —Assets, \$6,498,436, inc., \$550,666; unearned prem., \$1,738,969; loss res., \$1,874,020; surplus, \$2,627,309, dec., \$59,442. Experience:	
Liability	\$2,318,659 614,389
P.D. and coll.	17,692 293

Total\$2,336,351 \$ 614,682

Hardware Mutual Cas. Wls. —Assets, \$27,943,036, inc., \$2,832,920; unearned prem., \$8,381,845; loss res., \$11,120,216; guaranty fund, \$1,600,000; surplus, \$4,019,301, inc., \$28,725. Experience:	
Accident	\$ 54,001 \$ 10,860
Group A. & H.	160,362 79,436
Auto liability	6,242,254 2,392,007
Other liability	1,256,480 266,012
Workmen's comp.	7,628,852 3,471,563
Glass	310,869 96,922
Burglary & theft....	344,767 104,834
Auto collision	2,612,624 1,299,357
Other P.D. & coll.	2,636,424 1,329,194
Other auto	226,838 44,411

Total\$21,473,071 \$9,094,596

Hartford A. & L. —Assets, \$139,180,733, inc., \$8,089,024; unearned prem., \$30,851,-	
---------------------------------------------------------------------------------------------------	--

957; loss res., \$55,294,739; capital, \$5,000,000; surplus, \$42,111,236 (includes voluntary reserves), dec., \$6,217,554. Experience:	
Net Prens. Losses Pd.	
Accident	\$1,406,940 \$ 405,132
Health	100,739 45,438
Group A. & H.	258,859 117,608
Auto liability	18,554,956 7,400,135
Other liability	8,397,241 2,073,351
Workmen's comp.	19,801,449 11,070,328
Fidelity	2,081,148 506,168
Glass	767,471 286,931
Surety	2,822,474 259,982
Burglary & theft....	3,759,200 1,428,163
Auto prop. damage....	7,044,048 3,996,404
Auto collision	552,640 252,704
Other P.D. & coll.	1,277,468 328,901
Livestock	67,691 31,597

Total\$66,892,330 \$28,202,847

Home Indemnity —Assets, \$15,855,649, inc., \$1,601,105; unearned prem., \$5,084,827; loss res., \$5,930,525; capital, \$1,050,000; surplus, \$2,784,259, dec., \$1,818,387. Experience:	
Accident	\$ 50,625 \$ 9,386
Auto liability	4,131,513 1,326,712
Other liability	1,128,579 230,004
Workmen's comp.	302,497 50,214
Fidelity	253,502 36,970
Surety	188,392 34,944
Glass	244,876 91,353
Burglary & theft....	830,239 334,565
Auto prop. damage....	1,809,585 903,966
Auto collision	17,525 4,444
Other P.D. & coll.	50,574 10,914

Total\$9,007,907 \$3,033,472

Illinois Mutual Cas. —Assets, \$817,002, inc., \$126,735; unearned prem., \$221,671; loss res., \$106,095; surplus, \$440,303, inc., \$62,630. Experience:	
Net Prens. Losses Pd.	
A. & H.	\$1,112,956 \$ 497,840

Illinois National Cas. —Assets, \$2,227,063, inc., \$170,832; unearned prem., \$868,034; loss res., \$598,797; capital, \$210,000; surplus, \$410,463, dec., \$92,117. Experience:	
Medical (not auto)....	\$ 3,185 \$ 404
Auto liability	684,031 226,321
Other liability	6,132 425
Auto prop. damage....	409,176 176,438
Auto collision	575,138 342,118
Other P.D. & coll.	1,409 80
Other auto	249,886 100,580

Total\$1,928,958 \$ 846,366

Industrial Cas. —Assets, \$341,851, inc., \$20,984; loss res., \$22,340; surplus, \$313,449, inc., \$22,230. Experience:	
Accident	\$ 274,386 \$ 96,245

Iowa Farm Mutual —Assets, \$2,114,586, inc., \$485,811; unearned prem., \$639,211; loss res., \$765,499; surplus, \$467,367, inc., \$804. Experience:	
Auto liability	\$ 479,409 \$ 137,112
Other liability	104,337 29,300
Auto prop. damage....	296,253 140,442
Auto collision	800,775 495,764
Other P.D. & coll.	41,998 14,412
Other auto	215,057 113,468
Auto & farm misc....	40,660 13,075

Total\$1,978,493 \$ 943,578

Iowa Hardware Mutual Cas. —Assets, \$132,869, inc., \$22,951; unearned prem., \$19,139; loss res., \$24,036; surplus, \$88,098, inc., \$8,128. Experience:	
Auto liability	\$ 15,872 \$ 740
Other liability	2,751 82
Workmen's comp.	13,836 5,304
Auto prop. damage....	15,000 7,555
Other P.D. & coll.	1,232 440

Total\$ 48,691 \$ 14,121

Loyal Protective Life —Assets, \$6,111,083, inc., \$829,386; unearned prem., \$577,412; loss res., \$323,934; capital, \$1,000,000; surplus, \$2,122,615, dec., \$823,036. Experience:	
Accident	\$ 381,291 \$ 183,606
Group A. & H.	49,525 60,588
Non-can. A. & H.	1,730,116 422,562

Total\$2,160,933 \$ 667,157

Manufacturers & Merchants Indem. —Assets, \$2,576,641, dec., \$2,190; unearned prem., \$473,378; loss res., \$378,624; capital, \$700,000; surplus, \$892,917, inc., \$217,122. Experience:	
Auto liability	\$ 165,588 \$ 77,284
Other liability	225,708 63,227
Workmen's comp.	421,983 113,773
Auto prop. damage....	91,613 43,314
Auto collision	92,504 27,858
Other P.D. & coll.	9,854 1,227
Other auto	27,462 3,012

Total\$1,037,712 \$ 329,695

Mass. Cas. —Assets, \$491,008, inc., \$68,518; unearned prem., \$224,397; loss res., \$52,000; capital, \$100,000; surplus, \$103,368, inc., \$24,852. Experience:	
A. & H.	\$ 156,536 \$ 59,837
Non-can. A. & H.	348,695 117,258

Total\$ 505,231 \$ 177,095

National Cas. Mich. —Assets, \$9,570,428, inc., \$894,501; unearned prem., \$2,212,685; loss res., \$1,830,437; capital, \$1,500,000; surplus, \$2,718,079, inc., \$103,864. Experience:	
Accident	\$2,872,036 \$ 968,324
Health	1,963,093 660,599
Group A. & H.	2,379,596 1,384,046
Auto liability	411,460 208,788
Other liability	199,854 45,883
Workmen's comp.	419,594 193,888
Fidelity	23,391 6,395
Surety	37,271 1,421
Glass	38,448 16,560
Burglary & theft....	116,533 44,715
Auto prop. damage....	165,295 110,806
Auto collision	2,185 219
Other P.D. & coll.	19,853 3,317

Total\$8,648,617 \$3,644,966

Ocean Accident —Assets, \$24,114,963, inc., \$54,981; unearned prem., \$6,120,393; loss res., \$9,048,936; capital, \$900,000; surplus, \$5,640,358, dec., \$1,141,593. Experience:	
Accident	\$ 409,873 \$ 128,719
Health	268,119 169,613
Group A. & H.	42,776 30,001
Auto liability	2,171,201 735,559
Other liability	1,308,341 323,807
Workmen's comp.	3,028,826 1,429,669
Fidelity	223,356 42,146
Surety	90,866 2,655
Glass	202,074 79,828
Burglary & theft....	659,902 190,314
Boiler & Machinery ..	1,136,527 451,059

FINANCIAL STATEMENT

DECEMBER 31, 1946



ASSETS

Cash in Banks	\$ 2,660,024.50
United States Government Securities	34,806,885.89
Corporate and Other Bonds	3,655,366.60
Preferred Stocks	3,734,640.00
Common Stocks	5,475,195.00
Interest Due and Accrued	125,300.40
Premiums in Course of Collection not more than three months due	2,867,525.02
Other Admitted Assets	740,286.45
Total Admitted Assets	\$54,065,223.86

LIABILITIES

Reserve for Claims and Claim Expenses	\$20,735,126.70
Reserve for Unearned Premiums	11,282,020.65
Reserve for Commissions on Uncollected Premiums	560,083.00
Reserve for Taxes	990,000.00
Reserve for Accounts Due or Accrued	335,000.00
Other Liabilities	756,913.76
	\$34,659,144.11

Voluntary Reserve for Contingencies, including Fluctuations in Market Values of Securities

CAPITAL	\$9,406,079.75
SURPLUS	2,500,000.00
SURPLUS TO POLICYHOLDERS	7,500,000.00
	\$19,406,079.75
	\$54,065,223.86

Securities carried at \$805,000.00 in the above statement are deposited as required by law. Bonds and stocks valued on the basis prescribed by the New York Insurance Department. On the basis of December 31, 1946 market quotations for all bonds and stocks owned, this company's total admitted assets would be increased to \$54,488,856.37 and the voluntary reserve for contingencies, including fluctuations in market values of securities, to \$9,829,712.26.

ROYAL INDEMNITY COMPANY

Incorporated 1910

150 WILLIAM STREET, NEW YORK 8, N. Y.

A STOCK COMPANY ORGANIZED UNDER THE LAWS OF THE STATE OF NEW YORK

Net Pmts.	Losses Pd.	Net Pmts.	Losses Pd.
Water damage	3,791	2,337	
Auto prop. damage	876,235	488,755	
Auto collision	41,605	5,800	
Other P.D. & coll.	150,979	33,602	
Credit	—43		
Total	\$10,614,477	\$4,048,515	
Old Line Auto—Assets, \$140,710, inc., \$28,625; unearned prem., \$19,614; loss res., \$11,404; surplus, \$104,714, inc., \$18,506. Experience:			
Auto liability	29,218	3,047	
Auto prop. damage	16,533	3,042	
Auto collision	10,225	2,114	
Other auto	3,880	651	
Total	\$ 59,856	\$ 8,854	
Order United Commercial Travelers—Assets, \$4,176,451, inc., \$344,055; surplus, \$3,284,590, inc., \$369,817. Experience:			
Accident	\$1,882,286	\$ 933,427	
Republic Mutual—Assets, \$434,543, inc., \$60,830; unearned prem., \$179,570; loss res., \$107,718; guaranty fund, \$120,438; surplus, \$134,595, dec., \$8,270. Experience:			
Accident	\$ 18,534	\$ 3,851	
Auto liability	105,475	22,156	
Other liability	4,371	50	
Burglary & theft	5,458	1,321	
Auto prop. damage	75,989	37,508	
Auto collision	131,444	67,961	
Other P.D. & coll.	381		
Other auto	46,458	23,010	
Misc.	1,088	42	
Total	\$ 389,198	\$ 155,899	
Rhode Island Mutual Lmb.—Assets, \$164,647, inc., \$25,014; unearned prem., \$53,861; loss res., \$66,030; surplus, \$32,248, inc., \$4,033. Experience:			
Auto liability	69,822	29,515	
Other liability	2,365	250	
Workmen's comp.	22,430	7,860	
Boiler & Machinery	32,115	13,806	
Auto prop. damage	7,624	1,845	
Auto collision	64	12	
Total	\$ 134,420	\$ 53,287	
Royal Indemnity—Assets, \$54,065,223, inc., \$3,063,264; unearned prem., \$11,282,920; loss res., \$19,640,023; capital, \$2,500,000; surplus, \$16,906,079 (includes contingency reserve), dec., \$1,083,923. Experience:			
Accident	\$ 487,490	\$ 127,065	
Health	131,772	49,209	
Group A. & H.	126,060	86,921	
Auto liability	6,165,588	2,694,279	
Other liability	3,129,886	806,828	
Workmen's comp.	6,167,988	3,771,783	
Fidelity	584,350	70,162	
Surety	449,405	10,627	
Glass	424,872	151,497	
Burglary & theft	1,824,701	720,565	
Boiler & Machinery	473,336	159,935	
Auto prop. damage	2,318,783	1,387,510	
Auto collision	85,972	50,071	
Other P.D. & coll.	360,002	91,944	
Total	\$22,730,210	\$10,178,403	
Seaboard Mutual Cas.—Assets, \$239,741, inc., \$13,448; unearned prem., \$71,869; loss res., \$77,107; surplus, \$81,500, inc., \$2,213. Experience:			
Accident	\$ 80	\$	
Health	64,790	20,835	
Auto liability	73,583	23,454	
Other liability	1,726	114	
Workmen's comp.	8,922	1,421	
Surety	19,747		
Glass	252	96	
Burglary & theft	126	30	
Auto prop. damage	33,903	10,837	
Auto collision	4,574	75	
Other P.D. coll.	199		
Total	\$ 208,020	\$ 56,862	
Security L. & A.—Assets, \$13,874,842, inc., \$1,960,221; unearned prem., \$137,576; loss res., \$51,794; capital, \$250,000; surplus, \$1,312,698 (includes contingency reserve), inc., \$214,176. Experience:			
A. & H.	\$ 331,876	\$ 137,307	
Group A. & H.	4,309	2,997	
Non-can. A. & H.	110,000	48,868	
Total	\$ 446,176	\$ 189,172	
Selected Risks Indem.—Assets, \$3,344,861, inc., \$448,518; unearned prem., \$824,420; loss res., \$1,056,450; capital, \$400,000, inc., \$50,000; surplus, \$662,500, inc., \$156,350. Experience:			
Auto liability	\$ 685,614	\$ 273,421	
Other liability	18,296	3,488	
Workmen's comp.	549,718	167,295	
Auto prop. damage	324,026	196,441	
Auto collision	262,372	116,631	
Other P.D. & coll.	5,826	1,121	
Total	\$1,845,851	\$ 758,397	
State Auto, Ind.—Assets, \$7,787,259, inc., \$327,791; unearned prem., \$2,370,642; loss res., \$2,039,199; surplus, \$2,855,136 (includes contingency reserve), dec., \$671,748. Experience:			

Net Pmts.	Losses Pd.	Net Pmts.	Losses Pd.
Auto liability	\$1,650,651	\$ 646,867	
Auto prop. damage	809,498	655,816	
Auto collision	1,722,159	1,123,127	
Other auto	476,157	319,821	
Total	\$4,658,467	\$2,745,633	
Sunset Cas.—Assets, \$174,442, dec., \$2,742; unearned prem., \$16,010; loss res., \$9,043; capital, \$100,000; surplus, \$42,725, inc., \$2,700. Experience:			
A. & H.	\$ 117,199	\$ 40,967	
Texas Indemnity—Assets, \$1,191,887, dec., \$87,872; unearned prem., \$273,021; loss res., \$404,033; capital, \$300,000; surplus, \$150,000, inc., \$10,000. Experience:			
Workmen's comp.	\$ 511,371	\$ 272,697	
Truck Ins. Exchange, Cal.—Assets, \$4,740,823, inc., \$643,018; unearned prem., \$912,540; loss res., \$2,077,206; surplus, \$1,297,055, inc., \$377,690. Experience:			
Auto liability	\$1,264,992	\$ 573,776	
Other liability	143,764	22,514	
Workmen's comp.	406,624	153,837	
Auto prop. damage	676,597	382,645	
Auto collision	809,132	340,224	
Other P.D. & coll.	10,572	3,104	
Other auto	494,589	78,646	
Cargo	206,111	146,889	
Total	\$4,012,381	\$1,701,635	
Union Cas.—Assets, \$296,820, inc., \$48,881; unearned prem., \$10,965; loss res., \$45,210; capital, \$100,000; surplus, \$117,578, inc., \$34,289. Experience:			
Net Pmts.	Losses Pd.	Net Pmts.	Losses Pd.
Group A. & H.	\$ 339,976	\$ 171,067	
United Pacific—Assets, \$9,297,053, inc., \$414,288; unearned prem., \$2,149,285; loss res., \$3,275,992; capital, \$609,000; surplus, \$1,300,000, dec., \$416,000. Experience:			
Group A. & H.	\$ 344,377	\$ 211,628	
Auto liability	1,723,507	848,706	
Other liability	692,749	145,858	
Workmen's comp.	183,864	293,648	
Fidelity	140,452	10,399	
Surety	403,949	—2,628	
Glass	41,275	30,007	
Burglary & theft	214,433	114,732	
Auto prop. damage	732,579	504,752	
Auto collision	920,280	631,248	
Other P.D. & coll.	216,013	87,593	

Fifty-Seventh Annual Statement DECEMBER 31, 1946

ASSETS

United States Government Bonds	\$13,245,553.18
State, Municipal and other Gov't Bonds	447,041.49
Railroad Bonds	14,250.00
Preferred and Guaranteed Stocks	3,044,975.00
Common Stocks	6,113,864.00
TOTAL BONDS AND STOCKS	\$22,865,683.67

Cash in Banks	\$2,436,362.76
Cash in Offices	120,974.04
Premiums, not over three months due	646,957.12
Accrued Interest	58,039.43
Other Assets	615,977.26
TOTAL ADMITTED ASSETS	\$26,713,994.28

Bonds and Stocks are valued in accordance with requirements of the State of New York Insurance Department. On the basis of December 31, 1946 market quotations for all bonds and stocks owned, this company's Total Admitted Assets and its Surplus to Policyholders would be increased by \$513,875.68. Securities carried at \$1,142,214.39 in the above statement are deposited as required by law. This statement does not include claims amounting to \$252,310.20 for refund of prior years excess profits taxes.

LIABILITIES

Reserve for Unearned Premiums	\$ 4,345,017.06
Reserve for Losses and Claims	3,919,119.53
Reinsurance Reserves	1,990,405.85
Funds held under Reinsurance Treaties	1,123,754.97
Commission and Accounts Payable	412,367.94
Federal, State and Other Taxes	297,518.52
TOTAL LIABILITIES	\$12,088,183.87

Voluntary Reserves:	
Contingencies	\$1,125,000.00
Security Fluctuation	1,593,111.74
	\$2,718,111.74
Capital Paid In	2,000,000.00
Surplus	9,937,698.67
Surplus to Policyholders	14,655,810.41
TOTAL	\$26,713,994.28

Directors

A. M. ANDERSON Vice-President, J. P. Morgan & Co., Incorporated	New York	JOHN T. JONES Vice-President	New York
PRESCOTT S. BUSH Brown Brothers Harriman & Co.	New York	EMORY S. LAND President, Air Transport Association of America	Washington, D. C.
PERCY CHUBB 2nd Chubb & Son	New York	JUNIUS L. POWELL Chubb & Son	New York
CLINTON H. CRANE President, St. Joseph Lead Co.	New York	GEORGE H. REANEY President	New York
D. ROGER ENGLAR Bigham, Englur, Jones & Houston	New York	REEVE SCHLEY Vice-President, The Underwood Corporation	New York
WILLIAM A. HAMILTON Hamilton, Ont.	Hamilton, Ont.	CARROL M. SHANKS President, Prudential Insurance Co. of America	New Jersey
HENDON CHUBB , Chubb & Son, New York	New York		

UNITED STATES GUARANTEE COMPANY

NEW YORK CITY

FIDELITY SURETY CASUALTY
Aviation Insurance through Associated Aviation Underwriters



I'll let you in on something: the reason a barking dog seldom bites is because it's so hard to concentrate on two things at the same time.

The Central concentrates on just **one** plan of selling property insurance — and that's offering a complete range of property coverages for good risks through qualified local insurance agencies.

Planalysis, the Gold Dust Trail, Home Builders' Special — those words may be strange to you now. But they're being translated into new success for the ever-growing family of Central Agents the country over. You're invited to find out all about it. Write me today. Mutually,



The Central
MANUFACTURERS' MUTUAL
INSURANCE COMPANY

VAN WERT, OHIO

"A FRIENDLY MUTUAL"
COAST TO COAST
ESTABLISHED 1876

	Net Pmts.	Losses Pd.
Other auto	413,000	186,156
Total	\$6,016,573	\$3,062,102

Virginia Surety — Assets, \$1,377,752, dec., \$201,253; unearned prem., \$308,227; loss res., \$516,026; capital, \$300,000; surplus, \$174,288, dec., \$22,130. Experience: Liability (not auto) \$ 812,303 \$ 511,576 Surety

Auto prop. damage..	352,501	234,919
Auto collision		-231
Total	\$1,166,057	\$ 746,448

State Farm Mutual Automobile — Assets, \$61,689,620; inc. \$9,362,426; unearned prem., \$15,187,539; loss reserves, \$26,553,977; guaranty fund, \$250,000; net surplus, \$13,791,290; dec. \$2,334,655. Experience:

Auto liability	\$24,341,262	\$ 9,243,706
Other liability	166,095	23,831
Auto prop. damage	6,915,445	4,985,460
Auto collision	22,405,827	15,157,706
Other P.D. and coll.	25,353	4,785
Other auto	7,266,782	3,448,894
Total	\$61,120,762	\$32,864,382

PERSONALS

R. E. Baker, superintendent of business development for Hartford Accident at Chicago, is in Passavant hospital recovering from numerous deep cuts which he suffered when he fell while boarding a train for his home in Park Ridge, Ill.

Herbert J. Prouty of Travelers has been named chairman of the insurance division of the Red Cross campaign at Columbus, O.

Russell S. Chaloner, resident vice-president of the American-Associated group in Chicago, was guest of honor at an informal luncheon in Minneapolis in observance of the 10th anniversary of his opening the branch there. N. J. Perin, branch manager at Minneapolis, was host and among those attending were department heads of the branch, the older agents and field men.

Byron J. Moore, state agent of the American Indemnity in Indiana, Kentucky and Tennessee, who has been ill for several weeks with a virus infection, expects to return to his field in the next few days.

American Health Agency Round Table at Baltimore

American Health held a three day agency round table conference at the home office in Baltimore with 33 men from the agency force present. Only divisional, regional and district managers and key general agents were invited. William Washburn, executive vice-president; H. Clay Dodson, vice-president in charge of underwriting and claims, and Howard B. Morris, supervisor of production, sat in on the round table sessions each morning and afternoon. J. F. McFadden, president, addressed the luncheon which opened the series of meetings. S. C. Maguire, treasurer, also joined the group for that occasion.

The closing banquet was attended by the entire round table group and by Mr. McFadden, A. F. Stone, secretary; J. T. Powers, controller; J. J. Kane, assistant controller; J. H. Muller, assistant secretary, and by J. P. O'Brien, vice president and sales director of the affiliated American Credit Indemnity. Several of the key agents were put on the spot by the toastmaster for impromptu talks.

Pass N. Y. A. & H. Bill

The New York legislature has passed and sent to Gov. Dewey the department bill authorizing the superintendent to withdraw approval or disapprove A. & H. policies that provide benefits that are unreasonable in relation to premiums charged or that encourage misrepresentations. The superintendent already has this power with respect to policies that are inadequate, unjust, deceptive, or contrary to the public interest.

Good Service Can Avert Legislation, Bridges Says

Good service is good public relations work, Clark D. Bridges, Zurich director of conservation services, told a safety engineering panel at Pittsburgh Insurance Day. He urged the industry to do such a fine job in the public interest that it will become indispensable to the American scheme of life and concluded that it is an effective way to forestall unwanted and unneeded legislation.

Describing the development of insurance services from the original idea of factory, elevator and boiler inspectors with an occasional specialist in such lines as automobile fleet, punch press, construction, etc., to the present day set up, he said that today's policy protection is made available to the assured at no extra cost.

Numerous Services

Among present services, he listed as safety engineering service, consulting services in most of the engineering fields, visiting and consulting nurse service, industrial hygiene service in the field and in the laboratory, educational films and complete safety programs, technical publications, and off the job safety programs.

Insurance safety services must have as their primary characteristic a functional quality providing tangible benefits to the assured, Mr. Bridges said, adding that this will not only promote the acceptance of these services but will create a greater demand for them.

The safety engineer of the future will be basically an industrial engineer. He will have training in parts of many other professions which will enable him to recognize hazards and to institute controls, Mr. Bridges declared. Pointing to recent hotel fires and catastrophes, he said that the safety engineer must know too, a great deal about structural design and its influences on accidents of this kind.

Ryan on Mich. Commission

LANSING, MICH. — Theodore P. Ryan of Lansing has been appointed by Gov. Sigler as a member of the workman's compensation commission, succeeding Charles H. Mahoney. Mr. Mahoney resigned recently, as he has been carrying on a private business in Detroit and the new governor is insisting that compensation commissioners devote their full time to the state position. Mr. Ryan, has been a legal advisor to the commission since 1937.

T. T. Teel Dallas President

Ted T. Teel, American Hospital & Life, has been elected president of the Dallas Assn. of Accident & Health Underwriters. John L. Bontly, Provident L. & A., is vice-president and Earle E. Bailey, Great American Reserve, secretary.

Complainants Get Receivers for Winecoff Hotel

ATLANTA — The Winecoff Hotel property, which was burned here Dec. 7, with the official loss of life placed at 119 was placed in the hands of receivers Friday. The action was taken upon request of Allen Post and B. D. Murphy, attorneys for more than a score of relatives of those who lost their lives in the fire. More than 80 claims have been filed against the defendants, with a total or more than \$4 million damages asked.

Named as defendants in the suit are Mrs. Annie Lee Irwin, who was owner of the structure, recently sold, after the fire, to Arlington Corp., which was also included, together with A. F. Geele, Sr., A. F. Geele, Jr., and R. E. O'Connell, operators and lessees.

Arlington Corp. bought the hotel for \$570,000, and the charge was made in the petition for receiver that the sale was fraudulent and made for the purpose of hindering the complainants from recovering from Mrs. Irwin. Evidence submitted indicated a value of twice that sum would be a reasonable price for the property, Judge Alman stated.

Besides the hotel property, the receivers will administer \$425,000 of insurance carried as a whole on the building by the owner and the lessees.

National Fire Roundup

Field men of the western department of National Fire group held their annual round up at Chicago this week. There were 65 present from 14 states. E. H. Forkel, vice-president and general manager at Chicago, was in charge. One day was devoted to fire problems and another to casualty.

Mr. Forkel was toastmaster at the banquet attended by 115 including department heads and examiners. The speakers were H. B. Collamore, executive vice-president from the home office and Howard J. Burridge, president of THE NATIONAL UNDERWRITER.

Fisk to Union of Paris

Union of Paris has appointed C. James Fisk inspector for Ontario. Formerly he was with American Home and Western Assurance.

Boston Claim Men Nominate

Officers nominated by the Boston Surety Claim Assn. at its February meeting were Bart Mulcahy, Century Indemnity, for president; Joseph E. Harrington, New Amsterdam Casualty, vice-president; John Morley, National Surety, secretary, and Robert K. Taylor, American Surety, treasurer.

Nominated for the executive committee were Gregory Sullivan, Home Indemnity; Michael Hally, Employers' Liability, and Lester L. Ivers, Travelers.

Ralph F. Roach, Boston attorney, treated the salvage rights of a paying surety against a bankrupt principal.

Personal Property Floater Policy Now Available

TO BETTER SERVE OUR AGENTS AND INSURED
WE ANNOUNCE THE PERSONAL
PROPERTY FLOATER.

New Amsterdam
CASUALTY COMPANY

BALTIMORE

NEW YORK

Doctors War Against Cal. Compulsory Bill

SAN FRANCISCO—The California Medical Assn., through Dr. S. L. McClendon, its president, has launched an attack at Governor Warren's new and revamped compulsory health insurance bill now before the legislature.

Dr. McClendon called the measure "cruelly misleading, medically dangerous and economically unsound." He said it plans a system of "politically controlled socialized medicine," it provides that the State Health Authority, which it creates, would have the power to practically control all actions of doctors and hospitals, and the power to establish medical fees and hospital rates.

The bills (identical measures have been introduced in both houses) embrace a system of politically controlled socialized medicine financed by an inadequate 2% employer-employee payroll tax deduction which could only result in bankruptcy for the doctors and hospitals, or in a state deficit running into many millions of dollars, Dr. McClendon charged. Promised hospital care up to 100 days for each illness would be physically impossible to provide for many years to come, in view of the state's critical shortage of hospital beds, he said.

Persons desperately ill and needing hospitalization would find hospitals jammed with patients with minor ailments or injuries, since only through hospitalization could the beneficiaries establish a claim. Office and home calls of the doctor would be permitted only after hospitalization.

Enactment of the bills would be a death blow to California Physicians Service with more than 400,000 members, and Blue Cross hospital plan with some 650,000 members, as the acts make no provision for recognition of medical and hospital service plans under the

state system, Dr. McClendon said. Voluntary health insurance indemnity systems, maintained by insurance companies or employers, theoretically, would have the right to continue in business, but the state bureau would have the power of life or death over each insurance plan, he added.

State and local taxes would be increased because payment of half the premiums under the compulsory system would be a government liability in the case of public employees.

More than 1 million war veterans would be taxed arbitrarily as beneficiaries, despite the fact they are already entitled to federal government hospitalization, and receive free treatment for war-connected disabilities, not requiring hospitalization, from California Physicians Service under contract with veterans administration. The bills permit no exemption for veterans, Dr. McClendon asserted.

Clarify Neb. Position on A. & H. Policy Approval

Frank E. Landis, Nebraska departmental attorney, states THE NATIONAL UNDERWRITER was in error in its Feb. 13 edition in listing Nebraska as one of the states that is requiring the refiling of previously-approved A. & H. policies to determine whether they meet conditions of the revised edition of the commissioners A. & H. policy guide that became effective Jan. 1.

"At the present time, no such rule has been promulgated," he said.

"The department does, however, have under study the question of the need for such an order. A survey of our current files indicates that of approximately 2,450 approved accident and health policy forms, over 1,900 fail to comply with the provisions of the first official guide, or any of its subsequent revisions. Less than 300 forms comply with the provisions of the second edition of the guide and less than 50 forms approved comply with the provisions of the third edition of the official guide. After four years of the existence of the guide, the above figures indicate that most companies have adopted the policy of simply reprinting forms approved prior to the guide's adoption, without correcting them to conform with its provisions.

"Upon completion of the current departmental study and before any ruling will be issued, both the health and accident industry and other departments will be consulted."

Named by Farmers Mutual

G. L. Reichert has joined Farmers Mutual Liability as manager of the accounting and statistical department. For several years he has been with Shelby Mutual Casualty.

W. L. Trankle has been appointed manager of the underwriting department. He was formerly underwriter at Newark for Employers Mutual Liability.

Meeker-Magner Changes

C. A. Fargo has been appointed in the accident and health and hospitalization department of the Meeker-Magner Co. agency, Chicago, associated with J. Richard Brown in handling production and underwriting work. John Blume has been transferred from the A. & H. to compensation and liability in underwriting and production, associated with Earl F. Bush, manager, and Leo Paquet, his assistant.

Mr. Fargo's principal experience has been in life insurance over 10 years. He was brokerage manager for Occidental Life in Chicago and goes to Meeker-Magner from the post of special representative in the brokerage department of the Hunken agency of Connecticut Mutual Life in Chicago. He will assist brokers and agents in life insurance problems.

Mr. Blume has been with the agency 19 years, in accounting, inland marine and burglary, special agent for four

years and the A. & H. department five years.

Meeker-Magner for many years has been general agent of General Accident.

Motorists Mutual Rally

Motorists Mutual held a two-day meeting in Columbus. Speakers from the outside were James G. Stewart, mayor of Cincinnati, and Grove Paterson, Toledo newspaper editor.

Wohlers to Youngberg-Carlson as A. & H. Manager

Albert H. Wohlers has joined Youngberg-Carlson Co., Chicago, as manager of the accident and health department. Mr. Wohlers has been with Continental Casualty since 1939 in the accident and health division. He is a graduate of University of Illinois. During the war he was a lieutenant-colonel in the 5th air force.

Chartered 1842



98%

● Over 98% of the policies on our books at the end of 1946 were placed by agents and brokers.

● Today there are three times as many agents and brokers placing business with the Atlantic companies as there were 10 years ago.

These facts mean that more and more producers are convinced that the friendly Atlantic companies are good companies to do business with—good for the insured, good for themselves.

ATLANTIC

Mutual Insurance Company

FORTY-NINE WALL STREET • NEW YORK 5, N. Y.

Albany • Baltimore • Boston • Chicago • Cleveland • Detroit • Houston • Los Angeles
Newark • New Haven • Philadelphia • Pittsburgh • Rochester • San Francisco



*it's all there
in a nutshell*

Speed Up the Acceptance of Your Bond Risks by Keeping Anchor's "Field Counselor" Cabinet at Your Elbow.

A simplified system for the preparation of Bond submissions—organizes the entire business for the Agent.

Application supply folders with indexed, manual-colored tabs carrying complete instructions for submission of risks; in addition, copy-righted factual information of an educational nature, in condensed form.

Anchoring Assures Smooth Saleing
Short Form Applications
Simplified Rate Manual



ANCHOR CASUALTY CO.
ST. PAUL 1, MINN.

PAYROLL AUDIT SERVICE

ALL AUDITS OF EXPOSURE
FOR
CASUALTY INSURANCE CARRIERS

Home Office
DES MOINES, IOWA
Service Offices
CHICAGO, ILLINOIS
ST. LOUIS, MISSOURI

AUDITS SINCE 1920
IOWA, MINNESOTA, DAKOTAS,
NEBRASKA, MISSOURI, ILLINOIS,
INDIANA, MICHIGAN
UNDERWRITING REPORTS

K. L. PEARCE COMPANY
INSURANCE EXCHANGE BUILDING
DES MOINES 9, IOWA

FOR OVER TWENTY YEARS WE HAVE SPECIALIZED IN MAKING COMPLETE AUDITS

Rate Legislation Developments

(CONTINUED FROM PAGE 13)

pany are exempt from the requirement to secure an adjuster's license.

GEORGIA LEGISLATION

ATLANTA—Fire and casualty rating legislation has been introduced in the Georgia assembly.

MO. AGENTS ON WARPATH

The minimum regulation casualty rating bill prepared by a committee representing the agents and brokers and Missouri-domiciled companies has been introduced in the Missouri senate. It will be urged as a substitute for the all-industry bill sponsored by Superintendent Jackson.

A gathering of local agents was being held at Jefferson City Wednesday to promote the substitute bill. It was called by Holton Price of W. H. Markham & Co., St. Louis, who is co-chairman of the legislative committee of Missouri Assn. of Insurance Agents.

The legislative committee sent out a lengthy message attacking the all-industry casualty bill.

MORATORIUM EXTENSION IDEA IS PROPAGATED

WASHINGTON—That extension of the present anti-trust law moratorium for the insurance industry beyond the current year may be proposed by Senator Ferguson, Michigan, is reported in insurance industry circles. A memorandum to that effect is being circulated in those quarters, according to information obtained from sources usually well informed. The alleged memorandum is said to represent Ferguson as willing to attempt to secure extension of the moratorium, even to the extent of drafting and introducing a bill to accomplish that purpose.

This rumor, believed in government and official quarters, is not confirmed by Senator Ferguson or in industry circles. The question being referred to Sen-

ator Ferguson himself, the reply came back that he has not prepared moratorium legislation and has not planned to introduce such a measure at this time. The suggestion was left, however, that later on the Senator might be interested in obtaining legislation along this line.

The all-industry bill for the District of Columbia has not been introduced in the Senate.

Rep. Gwynne, who is sponsoring it in the House, reports after conferring with Chairman Dirksen of the House District of Columbia committee and Simpson of its insurance subcommittee, that the latter is trying to arrange for a hearing on district insurance regulatory bills during the week of March 10.

Criticize Jordan Bill

Supporters of the all industry bill are critical of the bill introduced by Rep. Simpson, Illinois, by request, which embodies the ideas of Superintendent Jordan and the D. C. Commissioners for regulation in the capital. Critics center their fire upon the section of the bill, which proposes to exempt insurance covered by the measure from the Sherman, Clayton and Robinson-Patman anti-trust laws, so far as the District of Columbia is concerned, except as to boycott, coercion, or intimidation.

Since under public law 15 the anti-trust laws shall apply after Jan. 1, 1948, it is contended that this section could not be considered as compliance with PL 15, although representations have been made to the House committee on District of Columbia, in behalf of the District government, that the bill is an attempt to comply with that law.

Furthermore, while some insurance people admit they would be pleased to see anti-trust exemption for the industry in Washington, doubt is expressed that Congress would pass such legislation, since it refused to pass it in the form of the Bailey-Walter bill.

Also these industry representatives say that the Jordan bill would be discriminatory in favor of the District by granting blanket anti-trust exemption here, as against the remainder of the country.

While the Jordan measure would set up a congressional pattern for anti-trust exemption, it is pointed out, such a pattern might not be considered significant, so far as the states are concerned, since the states could not, and only Congress could, grant anti-trust exemption. Congressional power could not be delegated to the states in this connection, it is asserted.

However, such an exemption, if granted in the District, might be regarded as an important precedent by Congress in connection with possible consideration of extension of the present nation-wide anti-trust moratorium.

OFFER MINN. AMENDMENTS

ST. PAUL—Activity as regards the all-industry bills shifted this week to the fair trade practices bill which was examined by the all-industry conference which has been working with Commissioner Johnson on the rating bills. Some of the members of the committee feel that the fair trade bill as now written has "dynamite" in some of its provisions.

Thus far the hearings on the rating bills have been given over mainly to a detailed explanation by Mr. Johnson. No outright opposition so far has been expressed at the hearings though some questions have been raised by legislators, mainly as to the cost of enforcing the law if enacted.

SCAN DEBATE IN OREGON

At a hearing before the joint senate and house insurance committees of Oregon Commissioner Thompson explained the all industry bill which he is supporting.

Robert A. Maguire, Portland attor-

ney, for the National Board, commented that the bill has a definite relation to revenues which might be lost if adequate legislation is not effected.

Attorney Will McMasters, speaking for State Farm Mutual Automobile pointed out that 2½ years had been spent in working out the proposed bills, and that legislation must be effected to prevent violation of anti-trust laws.

Ralph Coan, attorney, speaking for Assn. of Casualty & Surety Executives, emphasized that adequate control by some agency is going to exist, and this would be either through a federal bureaucracy or through separate control by the state. He denied that the model bills will stifle competition and stated that the domestic insurance companies are generally in favor of the bill.

William McAllister, attorney from Medford, and Clarence Young, Portland attorney, speaking for Farmer's Automobile Interinsurance Exchange and North America and G. W. Haerle, Portland local agent, spoke in opposition.

Fred Jewett, state national director of Oregon Assn. of Insurance Agents, said many agents are opposed to the bills. Arthur Eppstein, president of Oregon Automobile, urged adoption.

CIVIL WAR IN TEXAS

The hearing set for this week before the Texas senate insurance committee on bills to abolish the fire and casualty rate-making authority of Texas board of insurance commissioners promises to attract a large crowd. The bills are being supported by Ralph Soape, director of Insurance Buyers Institute, and are opposed by Texas Assn. of Insurance Agents and various company organizations and by Dallas Retail Merchants Assn.

The bills propose to make of the board a mere statistical bureau and would require that each company file a schedule of its own rates and its own policy forms as a public record. The commissioners could issue cease and desist orders to any companies whose rates were excessive, inadequate or discriminatory.

ENACT INDIANA BILLS

INDIANAPOLIS—The casualty and fire rating bills have been passed by the Indiana legislature in both houses, as well as the measure amending the health and accident code. The fair trade practice bill, is also scheduled for passage as well as workmen's compensation legislation.

Dakota Pond Festivities

At the Dakota Blue Goose mid-winter meeting at Aberdeen. Past M. L. G. Wayne Foster presided in the absence of M.F. Blanco, who is in Texas because of his health. Fourteen goslings were initiated. Six members were presented with 25 year emblems.

The new officers who were installed are Verne Noble, most loyal gander; Cal P. Dalbey, N.W. F. & M., supervisor; Herbert Nilles, welder; C. E. Dana,

Home, custodian; Alan R. Bolten, keeper, and C. E. McLaughlin, guardian.

It was decided that a summer meeting of the Dakota Pond would be held at Geneva Beach Hotel, Alexandria, Minn., June 27-28. Mr. Noble was elected as a delegate to the grand nest meeting for 1947.

An honorary membership was granted to J. A. Reynolds, now retired from business because of his health.

J. V. Muller Advanced

J. V. Muller, superintendent of agents in the Pacific department of the Loyalty group, has been advanced to assistant secretary of all companies.

Gordon OK's N. J. Plans

(CONTINUED ON PAGE 13)

Newer, but advancing rapidly, is so-called "franchise" coverage which he defined as merely a plan or method of furnishing individual policies on a group basis, with flexibility of coverage, to either small groups who cannot obtain similar coverage under an employer group type or to larger groups or associations who have no common employer. He regards this type of coverage as an answer to the problem of private insurance supplying the need of small employers, instead of the state taking over the disability insurance based on those risks. It also provides a very flexible plan for writing large professional groups and labor unions who cannot obtain insurance on a common employer group basis. In the specialized group field he mentioned coverage for volunteer fire departments, schools, colleges, campers, Boy Scout, and credit groups.

In connection with medical care insurance, Mr. Gordon said it is not easy to work out practical plans that will be within the ability of all persons to pay and yet to provide reasonable fees for physicians who cooperate with such plans. Such insurance is expensive and the insurer must be certain that the benefits provided are not so great as to require a premium which is too high for the ordinary wage earner. This is particularly true when dependents are included. If the premium is too high, people do not buy—except those who are not normal risks. This sets up a selection against the insurer. However, with cooperation of physicians on fee schedules and with moderate but reasonable limitations on medical care outside of hospital, he said it has been proved that satisfactory plans can be worked out. The idea of a uniform contract and fixed premium, such as have been used in the Wisconsin Plan, must be discarded because of the application of the Sherman anti-trust act. He urged that insurers should make every effort toward working out sound plans in cooperation with the medical societies.



INSURANCE MAN AVAILABLE

Manager of substantial agency in Detroit is immediately severing connection. Clean record. Experienced in field work, company representative, sales promotion, handling people, administrative work. No encumbrances. College graduate. Enjoy public speaking and meeting people. Will consider executive post with company or general agency for all or part of Michigan. Knows all lines, has specialized in group. Write or wire F. A. Alexander, 582 Lincoln Road, Grosse Pointe 30, Michigan.

CASUALTY UNDERWRITER

Excellent opportunity in Ohio Branch Office of progressive Company. Good salary and chance for advancement. State qualifications. Address K-75, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Experienced casualty underwriter interested in progressing with an expanding office. Salary commensurate with ability. Write or phone Earl Dean, Manager, Zurich Insurance Companies, 807 Guardian Building, Cleveland, Ohio. Phone MA 6675.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Wis. Agents Frown on Auto Rate Rise

MILWAUKEE—The executive committee of the Wisconsin Assn. of Insurance Agents adopted a resolution against the increase in automobile insurance rates just published and now effective.

The resolution commented that recent reports indicate the peak in automobile losses has been reached and signs now point to a gradual reduction in automobile claims frequency. Further, that the supply of automobile repair parts is gradually meeting the demand and garages now behind in repair work because of lack of parts will soon return to normalcy, indicating a gradual decrease in costs.

Reference was made to the increase in rates about six months ago and that since then not sufficient experience has developed that should warrant an increase in rates at this time.

An increase in automobile insurance rates at this time, the resolution said, amounts "to just another step on the ladder of inflation."

A copy of the resolution was ordered forwarded to the office of the National Bureau of Casualty & Surety Underwriters.

Oppose Assigning Premium Tax to Pension Funds

COLUMBUS—Much opposition has arisen to the Corlett house bill which provides that the premium tax on foreign fire companies shall be turned into the fire and police pension funds. It now goes into the general fund. Last year it amounted to \$1,351,012.

Senator Winter has introduced the fire marshal bill, based on studies made the past year by fire insurance interests. The fire marshal's program planning committee report recommended the assignment of an assistant attorney general to the fire marshal's office; setting up of an arson bureau in the department, with six trained investigators; inspection bureau with 24 inspectors besides the chief; bureau of fire prevention to promote rural and urban fire protection; education in the schools, etc.; advisory committee of seven for the fire prevention bureau; etc.

Report on Reinsurer

Assets of United Farm Mutual Reinsurance of Bloomington, Ill., at Dec. 31, 1945, were \$127,300 and surplus was of the same amount, according to the report of an examination by the Illinois department.

This company provides a reinsurance service for district, township and county mutuals. It reinsures such a company for 90% of the excess above the average normal losses incurred by the company during each calendar year the contract is in force. Each reinsured company pays an advance annual premium of 5 cents per \$100 of net amount of insurance in force in United Farm Mutual Reinsurance at the beginning of the current year and this is adjusted at the end of the year.

If the advance premium is not sufficient, the reinsurer may levy an assessment equal to the amount of the advance premium, but if the advance premiums are more than sufficient, the reinsured companies receive an appropriate credit.

For the years 1942-45 the 5 cent charge was sufficient and has resulted in the creation of a surplus of \$127,300.

Premiums earned in 1945 were \$53,786, losses incurred \$26,049, gain from underwriting \$25,312.

Ill. Exhibit Group to Push Safety

Illinois State Fair Fire Prevention Exhibit Assn. has been organized to conduct an exhibit featuring fire prevention at the Illinois State Fair at Springfield, Aug. 8-17. It was formed by members of Illinois State Fire Prevention Assn. in cooperation with the Illinois department of public safety.

President is A. C. Schilke, Hartford Fire. Secretary is Herbert A. Elkin, Camden Fire. Director is Harry K. Rogers, Western Actuarial Bureau, and assistant director is John E. Hutchins of the state fire marshal's office.

Ground space in the area opposite the east end of the grandstand has been secured. Emphasis in the exhibit will be on fire prevention in the home and on the farm. Mr. Rogers will be in full charge of the show. Insurance men will be urged to have their friends visit the exhibit.

Plan Regional Hail Panel Meetings in Minn.

MINNEAPOLIS—A series of hail insurance panel meetings is being arranged for Minnesota rural agents in March and April. Those held last year proved so popular and successful that they are being broadened to reach more agents this spring.

The first one, March 18, is sponsored by the West Central Agents Regional Assn. at Montevideo. The following day there will be a similar panel for the Southwestern regional at Worthington. J. M. Nearhood, chief hail adjuster St. Paul F. & M., will be chairman of these panels, and Walter J. Cassidy, hail supervisor of Home, and several other field men will assist.

George W. Blomgren, executive secretary Minnesota Assn. of Insurance Agents, is trying to arrange similar panels at Crookston for the Northwestern and Park regionals.

Minn. Regional Groups Hear Talks by Managers

E. I. Peters, Minneapolis manager for Western Adjustment, gave a talk on "Fire Insurance Adjustments" at a meeting of the West Central Minnesota Agents Regional Assn. at Benson.

Charles W. Russell, manager casualty and surety department, Travelers Indemnity, addressed the Southern Minnesota regional on "Comprehensive Public Liability Insurance."

Explosion under the extended coverage form was explained by George C. Maxwell, state agent Fireman's Fund group, at a meeting Tuesday of the Southeastern Minnesota Agents Regional Assn. at Rochester.

New Hail Rates in Kansas

A revised schedule of rates and rules for hail insurance on growing crops has been issued by the Kansas Inspection Bureau effective March 1. Rates on wheat range from 4% to 16%, counties in the extreme eastern part of the state being in the 4% group and Cheyenne, Greeley, Sherman, Wallace and portions of Rawlins county in the northwest of the state being in the 16% zone. In addition to the base rates, a surcharge of 5% applies to tree fruits, berry crops, grapes, cantaloupes and melons; a 4% surcharge applies to tobacco; and a 2% surcharge to barley, rye, crested wheat grass or other grass crops, and all vegetables, except sugar beets and potatoes,

which take the basis grain rate.

A 20% rate reduction is provided for a 10% deductible clause or the 25% loss clause-minimum for season; a 33 1/3% reduction for the 20% deductible clause; and a 40% reduction for the 25% accumulative-deductible clause.

Escheat Bill in Mo.

A bill has been introduced in the Missouri house to capture for the state treasury the unclaimed part of the premiums impounded under the jurisdiction of the federal court in the 16 2/3% fire insurance rate increase case. The custodian reports that about 590,000 checks for premium refunds have been returned for inability to locate the payee, and the final undistributed balance from the original \$10 million fund, it is estimated, will amount to between \$2 million and \$3 million.

The bill provides that any unclaimed balance of any impounded fire insurance premium fund in a federal court, five years from the time distribution was ordered, shall escheat to the state treasury. Claimants still could take action within two years after transfer to the state and establish their right to the funds.

The state treasury has already received \$2,300,000 in unclaimed balance from the old 10% rate reduction case in the state court, and \$1,250,000 from the funds impounded in that portion of the 16 2/3% rate increase case that was within the jurisdiction of the state court.

Ohio Deviation Filed

Hamilton County Mutual of Cincinnati, which previously has been charging the old published rate of the Ohio Inspection Bureau, is now preparing to apply deviations. In towns classes 1-8, the deviation is 20% from bureau rates on all fire risks. In other territories the full fire rate is charged. All windstorm and extended coverage risks are written at deviation of 20% regardless of location. The present cash dividend to policyholders is 25%.

D. B. Edwards Retires

On the occasion of his recent retirement as superintendent of the Cleveland office of Ohio Audit Bureau, D. B. Edwards was tendered an illuminated framed testimonial by the officers, trustees and members of Insurance Board of Cleveland.

Mr. Edwards served as superintendent for 27 years and is highly respected by company representatives and agents.

Mr. Edwards is not in the best of health.

Named to I. U. Faculty

Archie M. Koon, Bloomington, Ind., local agent, has been named to the teaching staff of the Indiana University school of business to help meet the shortage of faculty personnel due to the heavy enrollment in that school.

Provocative Wis. Bills

A hearing is being held this week before the Wisconsin senate insurance committee on a number of provocative insurance measures that have been introduced.

There is a bill to create a fund with which to pay losses of more than \$5 million in any one fire. The insurers would be required to pay over to the state 3% of their Wisconsin premiums until a fund was created equal to one year's annual premium income. Then this fund would be used to pay losses exceeding \$5 million in any one fire, the individual insurer being excused from paying.

A revision of the fire insurance rating law is proposed in another bill that is being opposed by the insurance companies. Among other things it provides for a special tax of 1 1/2% which would

be in addition to the regular premium tax, to defray the cost of rate regulation. Another bill, sponsored by the factory mutuals, would legitimize the sale of repair and replace cover.

Martin Omaha President

OMAHA—The Omaha Assn. of Insurance Agents has elected Charles W. Martin president; Arthur W. Pinkerton, vice-president; Thomas A. Bryan, secretary. Directors include Richard W. Walker, J. J. Greenberg, Paul House and A. R. Harris.

Illinois Groups Elect

The Aurora, Elgin and Rockford (Ill.) Assns. of Insurance Agents have elected officers. The new Aurora staff is: President, Ralph E. Dunley; vice-president, H. K. Wright; secretary-treasurer, L. L. Dawson; Elgin: President, Harry L. Walsh; vice-president, William Lindoefer; secretary-treasurer, Eric Anderson; Rockford: President, J. A. Johnson; vice-president, Allen Sparks; secretary, K. A. Groff; treasurer, A. J. Pozzi.

Class of 30 in Duluth

DULUTH—George Detert, executive secretary of the Duluth Underwriters Assn., reports a class of 30 taking the N.A.I.A. course on fire insurance and allied lines.

Carl S. Jones Promoted

Carl S. Jones, who has been with Indiana Lumbermen's Mutual 27 years, has been elected assistant treasurer.

R. S. Foster, president of a lumber company at Indianapolis, has been elected a director.

Breakfast for Farm Agents

ST. PAUL—A special feature of the midyear meeting of the Minnesota Assn. of Insurance Agents will be a breakfast March 28 for farm and small town agents. All agents interested in farm insurance problems will be invited to attend. Brad Strom, chairman of the farm and small town agents committee, will preside.

\$100,000 Loss in Missouri Fire

ROLLA, MO.—The Central States Wholesale Co.'s 2-story building was destroyed by a fire of undetermined origin Feb. 22. Damage has been estimated at about \$100,000. A cleaning and pressing establishment in one part of the building and living quarters on the second floor also were destroyed.

NEWS BRIEFS

Chester Roskam of the Roskam Brothers agency has announced his candidacy for the Wichita city commission. Robert E. Israel, also a local agent, is now a member of the commission. He is a former mayor of Wichita.

National Mutual Casualty has assigned Roger Kilkenny to the Topeka, Kan., office of the Neil L. Toedman agency as a full-time adjuster to handle



National Mutual claims in eastern Kansas.

Howard N. Fullington of Dulaney, Johnston & Priest, Wichita, will head the aviation committee of the 1947 Red Cross fund campaign.

John Harrison, Jr., whose father was for many years resident vice-president of Marsh & McLennan at Minneapolis, has joined the St. Paul office of that firm.

Miss Emily Casford of the fire department of Wheeler, Kelly, Hagney, prominent in the Wichita Insurance Women, was honored on the completion of 32 years with the agency.

Ralph Morand of T.W.A. spoke at the February meeting of the Topeka Insurance Women and presented the picture, "Winged Horizons."

The J. D. Torrance and A. W. Kette agencies at Marion, O., have consolidated as Kette-Torrance.

The Wichita Assn. of Insurance Women will hold its bosses dinner April 17. Mable Frost of Crum & Forster is in charge of arrangements. At the Feb. 19 meeting underwriting problems were assigned to several members for explanation, followed by open discussion.

Miss Helen Ledwich has purchased the Grain Dealers Mutual Agency, Lincoln, Neb. It will be known as the Ledwich agency. All types of insurance—mutual and stock—will be represented.

The Insurance Women of Milwaukee will hold their annual meeting the evening of March 3. The nominating committee's slate of officers is: President, Cecelia R. Volz and Beryl Getty; vice-president, Dorothy Wagner and Marie Dick; secretaries—recording, Lorraine VanRoy and Mary Atsch; corresponding, Shirley Stauber and Margaret Hoffmeyer; treasurer, Leona Henschel and Ruth Berger.

Insurance Women of Columbus held its annual "bosses night" banquet Monday night. Miss Zora A. Wohlstein was in charge of arrangements. W. E. Gable, Columbus branch manager of Underwriters Adjusting, was the speaker.

in the business. Mr. Foreman said a referendum is being conducted among members of the Texas association and that the officers will follow the expressed wishes of the members. A. G. Randol, legislative chairman, commented on the legislative situation, and F. F. Ludolph reviewed the fire loss record of San Antonio and suburbs.

Installment Payment Issue

The North America companies were given a renewed hearing before the Virginia corporation commission on a petition for inauguration of an installment premium plan of writing fire policies. A similar plan had been disapproved but the companies were permitted to amend their petition. This was done and the amended petition filed by the Virginia Rating Bureau without recommendation.

In it the companies asked the commission to consent to the full premium for the first year and 80% of full charges for each succeeding year. The Virginia Assn. of Insurance Agents appeared in opposition at the first hearing. The commission reserved its decision.

Bradford Smith, vice-president of North America, was on the stand most of the day explaining the plan and answering questions from counsel for opponents. These included T. Nelson Parker, attorney for Virginia Assn. of Insurance Agents, and Hugh Rudd, representing mutual agents.

John R. Chappell, agent for mutual companies told the commission that people have so much money these days that they apparently do not care to bother with making payments on the installment basis.

The Virginia association did not offer any evidence, being content to allow that offered at a former hearing, when the original plan of the companies was presented, to stand as a record.

Under the amended plan, Mr. Smith explained, 45 days of grace are allowed agents to collect premiums before policies are canceled. He admitted that there had to be a little loading under the new plan. Only three states, he said, had rejected it.

In reserving its decision, the commission gave counsel on both sides time in which to file briefs.

Name Miami Host Group

George R. McKiever, Miami, has been appointed chairman of the committee on arrangements for the midyear meeting of National Assn. of Mutual Insurance Agents at Miami Beach, March 31-April 2. Associate chairman is Haldane Huckel, and the other members are Albert E. Ossip, R. F. Troop, Fred B. Hartnett, B. J. Cain, V. W. Thompson, W. I. Feuer, Ralph P. Webb, W. W. Gwynn, Don L. Elliott, Burton Wilson, Robert Finlay and C. E. MacMullen.

Okla. Regional at Claremore

A regional meeting of the Oklahoma Assn. of Insurance Agents will be held March 7 at Claremore. Scheduled speakers include George E. Wyatt, Oklahoma City, special agent Hartford Fire, on "Public Relations," and Kent W. Johnson, local agent of Alva, Okla., on "How to Meet Mutual Competition." A report will be given by Dave McKown, Oklahoma City legislative chairman.

Robinson Succeeds Cole

George Robinson has succeeded Robert W. Cole as manager of the fire department of the Tabb, Brockenbrough & Ragland agency of Richmond. Mr. Cole died recently. Mr. Robinson, formerly Virginia special agent of Great American, joined the agency a month or so ago.

No Successor to Moore

For the time being, no successor will be named to Thomas T. Moore as chief examiner of the Virginia department. Mr. Moore resigned recently to go with

the Shenandoah Life as comptroller. Commissioner Bowles thinks his present staff will be able to absorb the duties formerly performed by Mr. Moore by doubling up the work.

Goss Reviews Legislation

NASHVILLE—George Goss, secretary-manager of the Tennessee Assn. of Insurance Agents, spoke at a dinner meeting of the Nashville Insurance Exchange on pending insurance legislation, discussing four measures affecting local agents. Stuart Ragland of Richmond, former president of the Virginia Assn. of Insurance Agents, was a guest.

EAST

Pennsylvania Department Calls Off Agents' Exams

HARRISBURG—All agents' examinations in Pennsylvania have been cancelled, effective Feb. 22, by Commissioner Malone, pending the issuance of a definition of "underwriting experience" by the insurance department.

The department said it had issued no licenses to new applicants since Jan. 2, when the Dauphin county court here enjoined the commissioner from doing so until a proper definition of "underwriting experience other than soliciting" was made.

Commissioner Malone said he cancelled the tests to hold down the backlog of pending applications. The examinations had been given regularly the first Saturday of each month in Philadelphia; the second Saturday in Johnstown, Allentown and Williamsport, the third Saturday in Pittsburgh and the fourth Saturday in Harrisburg Erie and Scranton.

D. C. Group Reviews the Three Rating Bills

WASHINGTON—The three casualty regulatory bills for District of Columbia were reviewed Wednesday at a meeting of the special subcommittee on the subject of Washington Board of Trade insurance committee. Howard Starling, Assn. of Casualty & Surety Executives, is chairman. The other members are: Guy E. Mann, Aetna Casualty; Will N. Payne, Jr., National Capital; Charles M. Boteler, Mutual Fire of Washington; Joseph E. Harris, Indemnity of North America; G. Walter Ricketts, Employers Liability; Col. Lawrence C. Crawford, Travelers; Leo Goodwin, Government Employees; Phillip E. Baldwin, National Assn. of Mutual Insurance Agents; Lyman B. Fox, Liberty Mutual; Bernard L. Brown, Hecht Co.

H. L. Brooks Establishes Own Agency in Newark

NEWARK—Herbert L. Brooks, who has been with the George E. Jamison agency at Bloomfield, N. J., as vice-president and director, has opened his own agency at 31 Clinton street, Newark.

He is a past president of the New Jersey Assn. of Insurance Agents and Essex County Insurance Agents Assn., and is now New Jersey state national director.

Dinner of Camden County Agents to Be Big Affair

CAMDEN, N. J.—The annual dinner of the Camden County Assn. of Insurance Agents will be held here March 18. Speakers will be Gov. Driscoll of New Jersey and Dr. Harry F. Loman, dean of the American Institute for Property & Liability Underwriters. Commissioner E. George Aaron of Camden will be toastmaster and President Richard J. Clark of the Camden association will preside.

All the officers of the New Jersey

IN THE SOUTHERN STATES

Dallas Agents Join Drive on Auto Finance Abuses

Members of the Dallas Insurance Agents Assn. at their February membership luncheon pledged cooperation with the Dallas Better Business Bureau in the national effort to eliminate abuses in the insuring and financing of automobiles and other merchandise purchased on the installment plan.

An advisory committee to the Better Business Bureau, consisting of the Dallas Association's president, Geo. F. Cox as chairman, Felix Harris and James Teeling, was appointed to assist in coordinating the program.

Numerous complaints have been received from persons who have installment notes which were supposed to include charges for insurance coverage, but where no policies or evidence of such policies were received. Cases are cited where buyers discover after having an automobile loss that they were not properly protected by insurance for which they thought they had paid.

Edmund T. DeJarnette of DeJarnette & Paul agency, Richmond, has been appointed a member of the Virginia Advisory legislative council. He is a member of the house and a past president of the Virginia Assn. of Insurance Agents.

Tenn. Association Directors Confer on Casualty Rates

NASHVILLE—J. M. Cahill, assistant secretary of the National Bureau of Casualty & Surety Underwriters is meeting here Thursday with officers and directors of the Tennessee Assn. of Insurance Agents. According to Manager George Goss, the meeting is for discussion of automobile and workmen's compensation rates. The casualty conference committee of the state association—composed of Joe H. Bandy, Nashville; Frank E. McGalughon, Kingsport, and Will Johnston, Memphis—will participate.

Simpson to Be Chief Speaker at Alabama Agents' Midyear

Justice Robert T. Simpson of the Alabama supreme court will be the principal speaker at the midyear meeting of the Alabama Assn. of Insurance Agents at the Jefferson Davis Hotel, Montgomery, March 19-20. He will be the guest of the agents at a luncheon March 20, sponsored by the Montgomery Exchange.

Business sessions will be held on the 20th. The directors and committees will meet the 19th.

Matters with regard to rates, rules, and forms will be up for discussion, together with plans for a more intensified educational program.

Colorado Agents' Mid Year Slated for April 26

The Colorado Assn. of Insurance Agents will hold its midyear meeting at the Broadmoor Hotel, Colorado Springs, April 26. E. G. Udry, chairman, has invited members of the Wyoming and New Mexico associations to participate.

Jack McGuire of Pueblo, vice-president of the Colorado association has resigned, having sold his agency, and is now in the automobile business.

Southgate Agency, Durham, Marks 75th Anniversary

The J. Southgate & Son agency of Durham, N. C., is celebrating this year its 75th anniversary. The agency is sending out greeting notices to commemorate the occasion. The agency notes that it has represented 12 companies for more than 60 years. Thomas F. Southgate is president and William J. O'Brien is secretary and treasurer.

Texas Assn. Officers Speak

The San Antonio Exchange had as guests President W. M. Keller and Secretary D. G. Foreman of the Texas Assn. of Insurance Agents. Mr. Keller took up the problem of the deductible in windstorm and hail insurance, stating it is a disturbing element to all engaged



February

Assn. of I of the leg have been there will tendence.

McKee

W. Ge vice-presi & Dillen agency w Milton n veteran, i versity in

Vold to

Martin as special at Colum has been ance de Dausch

Loman

Randol pointed a for Fire reau, suc been relie

Cal. Pl Reform

The qu the signifi 20 editio cedure I the Cali given an is not en license, pension, heretofor

The pr instituted was com by Mayn its inves cense, th files pull investigat Those a ment wh been com showed a competen

Under fense had ous, and reformed its effect suspensio done bec the comm the licen cense w departm plaint is and then on accou license co ing. So who is doubt th outset.

granted the licen of the c him out The pl ness me where, a have ref long as

Ladd v

LOS manager Fidelity become Campe an execu He ca associate presiden Brokers Surety a

Assn. of Insurance Agents and members of the legislature from Camden county have been invited. It is expected that there will be more than 600 in attendance.

McKee in High Agency Post

W. Gerard McKee has been elected vice-president and secretary of Northrup & Dillenbeck agency, Syracuse. The agency was formed in 1901 by the late Milton Northrup. Mr. McKee, a war veteran, is a graduate of Syracuse University insurance institute.

Vold to Columbus Agency

Martin A. Vold, who recently retired as special agent of Springfield F. & M. at Columbus, O., after 21 years service, has been named head of the fire insurance department of the Atkinson-Dauksch Agencies there.

Loman Baltimore Assistant

Randolph C. Loman has been appointed assistant manager at Baltimore for Fire Companies Adjustment Bureau, succeeding J. R. Graham, who has been relieved of administrative duties be-

cause of illness. Mr. Graham will continue as a member of the Baltimore staff, pursuant to doctor's instructions.

Mr. Loman has been with F.C.A.B. since 1925 at Scranton, Wilkes Barre and Philadelphia.

File Tax Increase Bill in Pa.

HARRISBURG—Legislation to increase the state tax on premiums of domestic stock fire companies in Pennsylvania from 8 milles to 2% has been introduced in the legislature and a companion measure would allocate half of such tax receipts to municipal firemen's pension funds.

NEWS BRIEFS

The New Haven (Conn.) Assn. of Insurance Women has completed the N.A.I.A. course on aviation insurance and state insurance laws, and March 3 will begin the accident and health course. At the February meeting, Leonard W. Fish, president New Haven Assn. of Insurance Agents, showed movies of his trip to the N.A.I.A. convention at Denver.

William E. Donovan, state agent of Security of New Haven, addressed the Syracuse (N.Y.) Insurance Women's Assn. A navy training film on "The Chemistry of Fire" was shown.

PACIFIC COAST AND MOUNTAIN

Cal. Plan for Licensing Reformed Applicants Out

The question has been raised as to the significance of the story in the Feb. 20 edition, page 27 "California Procedure Improper" which related that the California attorney general has given an opinion that the commissioner is not empowered to issue an agent's license, subject to a disciplinary suspension, to an applicant who has not heretofore been licensed.

The procedure, now condemned, was instituted when Anthony Caminetti, Jr., was commissioner and was continued by Maynard Garrison. In the course of its investigation of applicants for license, the California department has files pulled in the California criminal investigation department and FBI. Those agencies report to the department whether the applicant has ever been convicted for a wrongdoing that showed up as a record in a court of competent jurisdiction.

Under Caminetti's ruling, if the offense had been one of many years previous, and the applicant apparently had reformed, he was granted a license, but its effective date was postponed by a suspension for a short period. This was done because the insurance code gives the commissioner the authority to revoke the license without a hearing of a licensee who has been penalized by the department and against whom a complaint is filed. Should a man be licensed and then be the subject of a complaint on account of an old wrongdoing, the license could be revoked without a hearing. So for the protection of the man who is being given the benefit of the doubt the license was suspended at the outset. Such restricted licenses were granted only after a hearing, and with the licensee knowing that any violation of the code would automatically throw him out of the business thereafter.

The plan was to keep out of the business men who had violated laws anywhere, and also to permit those who have reformed to earn a livelihood so long as they behave themselves.

Ladd with Bonner-Campbell

LOS ANGELES—Don M. Ladd, co-manager of the Los Angeles branch of Fidelity & Deposit, has resigned and become affiliated with the Bonner-Campbell Co., agents and brokers, in an executive capacity.

He came here in 1923 and became associated with Allen T. Archer, now president National Assn. of Insurance Brokers. In 1925 he joined National Surety and in 1929 went with F. & D.

Landi's Licenses Revoked, Agency Restricted

LOS ANGELES—The Landi-Kennell Corp. and A. Z. Landi license matters which have been before the insurance department for a year, finally have been disposed of by Commissioner Downey by an order revoking all licenses of A. Z. Landi, and continuing licenses of the corporation on a restricted basis until July 1, 1947.

The order states Landi had been guilty of fraudulent practices, dishonest conduct of his business and was untrustworthy. The licenses revoked were as agent and broker and as a life and disability agent.

The order sets forth that Mrs. F. R. French, following bankruptcy proceedings, now is sole owner of the Landi-Kennell Corp., and that it is now a solvent corporation with which A. Z. Landi has no connection. Mrs. French is required to change the title by July 1 so the names "Landi" and "Kennell" do not appear in it.

Agents' Far West Conference Being Held in S. F.

SAN FRANCISCO—The Far West Conference of the National Assn. of Insurance Agents is being held at the St. Francis hotel Feb. 26-28. State agents association representatives from Washington, Idaho and Arizona, serving as a contact committee, will meet Feb. 27 with the Washington Advisory Committee, Idaho and Arizona committees respectively, to discuss territorial problems with the companies' representatives on these regional committees.

Miller Oakland Manager

Jere Miller, formerly with Zurich in Chicago before being transferred to southern California, and who joined Hinchman, Rolph & Landis general agency at San Francisco in 1946, has been appointed manager of that firm's Oakland branch office. He succeeds William Spruance, who recently joined the San Francisco head office of Edward Brown & Sons.

Mr. Miller, after leaving the Los Angeles office of Zurich, was city superintendent for Standard Accident in San Francisco for some time.

Pacific Board's Meeting

SAN FRANCISCO—The Pacific Board is going far away from its usual annual meeting resorts this year, having announced that the 1947 meeting

will be at Hotel Del Coronado, southern California, May 10. May 12-13 the newly organized Pacific Fire Rating Bureau, which took over the old rate-making functions of the board, will hold its first annual meeting.

While, for the sake of reorganization, both organizations have the same officers and membership, it is expected that at this meeting outside members will be admitted to the rating bureau and separate officers chosen to maintain the bureau's independence.

Kinsey Addresses Forum

J. Edward Kinsey, account supervisor and manager of the engineering department of Cosgrove & Co., addressed the Insurance Forum of Los Angeles on contemporary problems, stressing the placing of large lines of fire insurance.

John Sutherland, president of Allied Compensation, was named to receive the award for the outstanding contribution to the insurance industry in Los Angeles county during the last year. It was made to Mr. Sutherland because of his fine work in preparing and having adopted a new improved workmen's compensation policy.

Kuhn to Tucson Agency

Alwyn C. Kuhn, formerly of Globe Indemnity at New York and Los Angeles, has joined the insurance department of Drachman-Grant at Tucson, Ariz.

Start New L. A. Course

LOS ANGELES—The Insurance Assn. of Los Angeles will start the N.A.I.A. advanced course in fire insurance March 3. Registration for the classes is nearly 100. Marshall Rankin, Aetna Fire, and Russell S. Robertson, Seeley & Co. will head the instructors.

Report Out Utah Code Bill

SALT LAKE CITY—The senate insurance committee has reported favorably with a few minor amendments the interim committee's recodification bill. The measure is expected to pass both houses with substantial majorities. It is reported the governor has made it known that he favors the bill.

Ericson Senior Inspector

Lyman R. Ericson has been promoted to senior inspector for the Oregon department of Northwestern Mutual Fire. He was for 10 years a local agent and for two years has been with Northwestern Mutual's inspection division in Oregon.

Charles Jones, Denver general agent, has returned from a trip to Chicago.

CANADIAN

School Group Criticizes Alberta Government Rates

An advisory committee to the Alberta School Trustees Assn., in opposing the establishment of a self-insurance fund for the schools of the province, criticized the government's insurance office for its rate making policy.

Is it any wonder, the report asked, that the office which until lately charged 63 cents and now has a \$1 rate fears that a further increase will be necessary unless something is done to reduce the very serious loss ratio?

The committee said that school buildings are fire hazards and are grossly underinsured. It recommended closer inspection, new appraisal, increased watchfulness of property, proper repairs and reexamination of insurance policies to see that there is proper coverage.

Private companies which are charging 67 cents should increase the rate to at least \$2.09 to break even, the report said.

On the question of a self-insurance fund, it pointed out that the motivating factor of such proposals usually is a high rate structure and in this instance the reverse is the case.

Life Insurance, Real Estate Don't Mix, Officials Say

If a resolution adopted by the Assn. of Superintendents of Insurance of Canada becomes legislation, or becomes a provincial rule governing the selection and licensing of agents, realtors will not be granted licenses as life insurance agents in the larger centers, even though they may have licenses for other lines.

While the superintendents have not stated that they intend to see that this resolution is put into effect, it is taken for granted that such action will be taken.

J. & H. President Retires

E. L. McLean, president of Johnson & Higgins of Ontario, is retiring after 50 years of active work, to his 200-acre farm at Highland Creek.

He started with the old Toronto Board and in 1904 was instrumental in forming an inspection bureau which specialized in sprinklered risks. Shortly afterward he joined the agency operated by Paul Von Szelski, later known as E. L. McLean, Ltd. Four years ago that agency was acquired by Johnson & Higgins and Mr. McLean was elected president.

NATIONAL INSPECTION COMPANY CHICAGO, ILLINOIS

Service to Stock Fire Insurance companies for 43 years.
Inspections and Underwriting Reports.

J. G. Hubbell,
H. B. Chrissinger, Managers

R. L. Thiele, Ass't Mgr.
P. A. Pederson, Chief Inspector

ADJUSTERS! REDUCE YOUR FIRE CLAIMS!

Consult Us Before Settlements

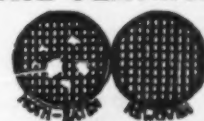
We reweave to perfection Burns, Stains and Damages in Rugs (Oriental and Domestic), Table Cloths, Tapestries, Wearing Apparel and Upholstered Furniture. Finest Cabinet Refinishing of Furniture burnt by cigarette.

All Work Guaranteed

AMERICAN WEAVING COMPANY

Est. 1910

5 North Wabash Ave. Bldg. 13th Floor Chicago
Phone: DEArborn 1693-4



We serve leading Companies and Adjusters throughout the Country. References gladly furnished.

Commissions, Equity Rating Fare Well

(CONTINUED FROM PAGE 1)

quickly as possible, Mr. Forbes emphasized. He said that if congress could accomplish such legislation before the Michigan legislature adjourns this spring, he has no objections, but the only reason for congress' granting further extension would be that the states have not had the opportunity to provide their own legislation, whereas the all industry bills do provide the nec-

essary regulation. The states cannot afford to take the chance of their own legislatures adjourning before any such possible action is finally determined by congress. That would only invite federal regulation.

Mr. Forbes went on to show that agents have had good representation on the all industry committee and decisions of that group have met with the approval of the N.A.I.A. The agents and commissioners should be in complete accord, he said, and he urged that no "search for perfection" cause the deadline set by congress to be missed in Michigan.

Producers Groups Adopt Principles

(CONTINUED FROM PAGE 1)

their employees should be barred from all licenses.

The use of credit to coerce the placement of insurance should be prohibited. Otherwise, no attempt should be made to interfere with present licenses.

The authority of the commissioner to issue, renew, refuse, revoke, and suspend licenses should be stated with provisions for hearings and judicial review.

Provision for temporary licenses should be made.

In general limited licenses should be prohibited (possible exception accident and health and life insurance).

Agents and brokers should be required to have a definite place of business and to keep therein adequate records of business transacted.

All collected funds should be held by an agent or broker in a fiduciary capacity.

The payment or acceptance of illegal commissions or rebates should be prohibited.

Provision for enforcement and penalties should be stated.

A DIRECTORY OF RESPONSIBLE

INDEPENDENT ADJUSTERS

ARKANSAS

Arkansas Oklahoma
Sixteenth Year
NELSON AND COMPANY
Merchants National Bank Bldg.
Fort Smith, Arkansas
All Lines Efficient Service

PHONE 2-0441 DAY OR NIGHT

FRED A. MARTIN
CASUALTY ADJUSTER
700 First National Bank Bldg.
PEORIA 2, ILLINOIS
Over 21 years experience

N. S. WOODWARD COMPANY

INSURANCE ADJUSTERS
412 F. P. Smith Building
FLINT 3, MICHIGAN

COLORADO

Crocker Claims Service

828 Symes Building
Denver 2, Colorado
Office Tele. Main 5101
After Hours Tele. Cherry 5822

Don M. Sherman, Adjuster

All Lines
7 N. County St., Waukegan, Ill.
Serving Northern Illinois
Southern Wisconsin
Telephone Majestic 2400

MICHIGAN ADJUSTMENT BUREAU, INC.

Adjusters—All Lines
Home Office
Lansing 7, 208 No. Capital Ave.
Branches: Detroit—Saginaw
Grand Rapids—Kalamazoo

INDIANA

Eugene McIntyre
Adjustment Co., Inc.
All Lines of Automobile, Casualty and
Inland Marine
Eight East Market Street
INDIANAPOLIS
Branch Offices:
Muncie, Indiana, Terre Haute, Indiana

NEBRASKA

CROCKER CLAIMS SERVICE

INSURANCE ADJUSTERS
City National Bank Building
Phone Jackson 6364
Omaha, Nebraska
BRANCHES AT
Lincoln, Neb. Des Moines, Iowa
Grand Island, Neb. Sioux City, Iowa
North Platte, Neb. Cedar Rapids, Iowa
Scottsbluff, Neb. Cheyenne, Wyoming
Norfolk, Neb. Denver, Colorado

DIST. OF COLUMBIA

1921 1947
NICHOLS COMPANY
INSURANCE ADJUSTMENTS
REPRESENTING COMPANIES ONLY
ALL LINES — 24 HOUR SERVICE
WASHINGTON, D. C.
Richmond, Va. Baltimore, Md.
Winchester, Va. Hagerstown, Md.

WILSON ADJUSTING CO.

INVESTIGATORS
ADJUSTERS FOR INSURANCE COMPANIES
ON ALL TYPES OF CLAIMS
District of Columbia and Adjacent Territory
CHARLES E. WILSON
JOHN F. COONEY
721 Denrike Building Washington, D. C.
NAtional 6650 Night Phone: DEcatur 7390

IOWA

RAY L. LAWLOR, INC.
Higley Building, Cedar Rapids, Iowa
Phone 2-1111
INSURANCE ADJUSTERS
Fire, Marine & Kindred Lines
ALSO
City National Bank Building
Omaha, Nebraska Phone: Jackson 6364

R. T. GUSTAFSON COMPANY

Insurance Adjusters — Serving Nebraska and Iowa
CASUALTY—ALL CLASSES: Auto, Liability, Com-
pensation, Burglary, H.A.A. P. O., Bonds, etc.
AUTO FIRE, Theft, Property Damage, Collision, etc.
OMAHA, NEBRASKA
940 Keelso Bldg. OMAHA: Webster 2281
17 and Marney Sts. Res. Kenwood 7411
30 years experience investigations and adjusting.

FLORIDA

S. W. CARSON, Insurance Adjuster

All Lines
Serving Central Florida from Two Offices
104 E. Jefferson St. 130 Ivy Lane
Orlando Daytona Beach
Phone 2-1640 Phone 2802
16 Years Experience

MARYLAND

INSURANCE ADJUSTERS, Inc.
Formerly Beck, Leizuer & Prince, Inc.
Adjusters for the Companies
Fire, Automobile, Inland Marine, & Aviation
(Hull)
2 Commerce St. 911 13th St. NW
Baltimore 2, Md. Washington 5, D. C.
Mulberry 7171 Republic 2754

OHIO

THOMAS D. GEMERCHAK

INDEPENDENT ADJUSTER
FIRE, WINDSTORM, INLAND MARINE
CARGO AND AUTOMOBILE LOSSES
305-6 Great Lakes Life Bldg., Cleveland 14, O.
Phones: Off. Su. 2666 — Res. Fa. 9442
26 years experience

ILLINOIS

Phone Harrison 3230
THOMAS T. NORTH, INC.
ADJUSTMENT COMPANY
Adjusters All Lines
178 W. Jackson Boulevard, Chicago 4

MICHIGAN

WAGNER AND GLIDDEN, INC.
TOPLIS AND HARDING, INC.
INSURANCE ADJUSTMENTS
ALL LINES
Chicago New York
Los Angeles Detroit

OKLAHOMA

WOODWARD CLAIM SERVICE

Insurance Adjusters
403 Trademans Bank Building
Oklahoma City, Oklahoma
Investigation — Adjustment — Subrogation
Phone All Insurance Lines Night
Day 3-0427 9-7894

Lynch Adjustment Co.

Insurance Adjusters — All Lines
Home Office—Springfield, Illinois
Branch Offices
Decatur, Ill.—Champaign, Ill.
East St. Louis, Ill.—Marion, Ill.—Centralia, Ill.
Alton, Ill.—Peoria, Ill.—Mt. Carmel, Ill.

A. H. DINNING COMPANY

ADJUSTERS
FIRE · MARINE · JEWELRY · FURS
AUTOMOBILE
F. M. CLEMENTS, Manager
1341 Free Press Building, Detroit, Mich.

Field Testing of Rating Research

(CONTINUED FROM PAGE 1)

advance. One thing to be determined is how complicated the system is, particularly in comparison with the universal mercantile schedule already in use in New Jersey. Despite the theoretical excellence of a system it might conceivably prove so complex in practice that it would be impracticable to employ the number of highly trained specialists that would be needed.

However, even though a system proved unduly complex, field tests might point the way to a simplified system that would retain the plan's good points. One important point to be determined is how the relationship in rates between different classes of business would compare under the general basic schedule with that under the present New Jersey system.

The proposal to devise a schedule for universal adoption is unique not only as regards the amount of territory it will eventually involve for never in the past has a well-established system been superseded by another. Though the development of the analytic system was somewhat analogous, there was at that time no very definite system in force in western territory.

National Union Field Changes

C. A. Jeffrey, state agent of National Union Fire for more than 20 years, has resigned to become vice-president of Packers National Bank, Omaha. He had supervision of Nebraska, South Dakota and Iowa.

Fred A. Fletcher, who has been an assistant to Mr. Jeffrey for several years, has been appointed state agent for Nebraska and South Dakota. Mr. Fletcher will continue headquarters at Omaha.

W. A. Drewelow, who has been associated with Mr. Jeffrey for many years, confining activities mainly to Iowa, has been appointed state agent for that territory. Mr. Drewelow will establish new headquarters in the Liberty building, Des Moines.

R. E. Hedges, marine special agent, has been transferred from the Cook county department to assist Messrs. Fletcher and Drewelow in developing inland marine business. Headquarters will be maintained at Omaha.

John J. Perkins has been named state agent of Missouri. He succeeds J. B. Thomas who was recently transferred to the home office, and was associated with Mr. Thomas as special agent. Headquarters will continue at St. Louis.

Robert Murdock, Jr., has been appointed special agent in Missouri. He is an experienced field man.

Aurora Regional March 12

A regional meeting will be held at Aurora, Ill., March 12 sponsored by the Aurora Assn. of Insurance Agents. This will be under the auspices of the Illinois association, with John E. Moschel, vice-president of region 2, supervising. An educational program is offered and a get-together dinner. Non-members are invited.

licenses
should be
an accident
e required
business and
ls of busi-
e held by
ary capac-
of illegal
d be pro-
and penal-

1
EE 1)

etermined is
s, particu-
universal
in use in
retical ex-
nceivably
ce that it
mploy the
alists that

a system
ests might
stem that
oints. One
ed is how
een differ-
compare
dule with
ersey sys-

chedule for
ot only as
ry it will
the past
been su-
the devel-
was some-
that time
e in west-

National
years, has
sident of
aha. He
outh Da-

been an
ral years,
t for Ne-
Fletcher
Omaha.
been as-
or many
tainly to
ate agent
elow will
the Lib-

al agent,
he Cook
Messrs.
loping in-
rters will

med state
ds J. B.
ansferred
ssociated
nt. Head-
ouis.
been ap-
pri. He is

h 12

held at
d by the
uts. This
e Illinois
nel, vice-
ing. An
d and a
bers are



These Shoes Carry \$200,000!

The man who wears these shoes makes \$10,000 a year. He expects to work about 20 more years, during which time he will have earned \$200,000. That's a lot of money to carry around in a pair of shoes!

A man's earning power needs to be protected and because it takes just a few dollars a year to protect a loss of many thousands, there will never be a scarcity of prospects—of men and women who need a modern Accident policy in The Travelers.

THE TRAVELERS INSURANCE COMPANY
HARTFORD, CONNECTICUT

"Buena Vista"

HOME OF
JOHN M.
CLAYTON



"BUENA VISTA," so-called in honor of Zachary Taylor's victory at the battle of that name during the Mexican War, was built near Wilmington, Delaware by John Middleton Clayton in 1846. This large rambling brick house with its approach through a magnificent avenue of trees is still in the builder's family and is now owned by his grand-nephew, Senator Clayton Douglass Buck. Many famous paintings still hang in "Buena Vista," including the distinguished portrait of Queen Elizabeth painted by Nicholas Hilliard in 1850, and several others painted by the renowned American artist, Gilbert Stuart.

John Clayton, Chief Justice of Delaware, United States Senator and Secretary of State under Zachary Taylor, was graduated from Yale College with the highest honors of his class. He then

studied law and was admitted to the bar in 1819. The skill with which he handled his cases and his remarkable powers of oratory soon made him the outstanding lawyer of his state. In 1828 he was elected to the Senate by the Whigs, and as the youngest member of that body he soon established an enviable reputation for himself as an orator. He continued to serve in the Senate until 1836, during which time he aided Henry Clay in putting through his famous tariff bill and was instrumental in effecting the satisfactory settlement of the Ohio-Michigan boundary dispute.

After his retirement from the Senate, Clayton became Chief Justice of Delaware for two and one-half years. Later he became interested in scientific farming and won an international reputation as an agriculturist. In 1845, he was again elected to the Senate where he served

brilliantly until he was appointed Secretary of State by President Taylor. In this capacity, one of Clayton's important contributions to his country was the program he prepared for opening up trade relations with the Orient which Commodore Perry used as a guide during his expedition to Japan. However, his greatest achievement in the diplomatic field was the famous Clayton-Bulwer Treaty with England, which settled disputes which were apparently leading to war with that country in 1850.

The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry.

★ THE HOME ★
Insurance Company
NEW YORK

FIRE • AUTOMOBILE • MARINE INSURANCE